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# NATIONAL WAR LABOUR BOARD

## PROCEEDINGS

Official Report

No. 1

SUBJECT:

### Labour Relations and Wage Conditions in Canada

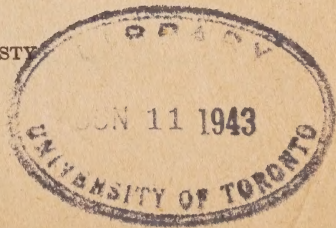
*Preliminary Session*

HEARING: OTTAWA

DATE: APRIL 15-16, 1943



OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1943









## NATIONAL WAR LABOUR BOARD

### Proceedings of Preliminary Session of Public Inquiry into labour relations and wage conditions in Canada—General canvass of methods and program to be adopted in further conduct of the inquiry.

Held in the Board Room of the Board of Transport Commissioners for Canada, Union Station, Ottawa, commencing Thursday, April 15, 1943, and continuing on Friday, April 16, 1943.

#### PRESENT

The Hon. Mr. Justice C. P. McTague, J.A., Chairman.  
Hon. J. J. Bench, K.C., Member of the Board.  
Mr. J. L. Cohen, K.C., Member of the Board.  
D. G. Pyle, Secretary.

#### APPEARANCES

Percy Bengough.....	Acting President, Trades and Labour Congress of Canada.
J. A. Sullivan.....	Vice President, Trades and Labour Congress of Canada.
A. R. Mosher.....	President, Canadian Congress of Labour.
Norman S. Dowd.....	Executive Secretary, Canadian Congress of Labour.
J. E. McGuire.....	National Secretary Treasurer, Canadian Brotherhood of Railway Employees, and other transport workers.
N. F. Parkinson.....	Secretary, Ontario Mining Association.
H. Mockridge.....	President, Association of Employees of Canadian Car & Foundry Company, Longue Pointe.
Tom Scurfield.....	Canadian Car & Foundry Employees, and Dominion Turcot Works.
M. Maloley.....	Canadian Car & Foundry Employees—Propeller Division.
Jack Ellis.....	Canadian Car & Foundry Employees—Aircraft Division.
H. W. Macdonnell.....	Canadian Manufacturers' Association.
C. Willis George.....	Ottawa Representative, Canadian Manufacturers' Association.
G. D. Laviolette.....	Canadian Laundry & Dry Cleaning Association, Toronto.
A. J. Kelly.....	Chairman, Dominion Joint Legislative Committee, Railway Transportation Brotherhoods.
W. L. Best.....	Secretary, Dominion Joint Legislative Committee, Railway Transportation Brotherhoods.
J. B. Ward.....	Chairman, General Conference Committee of General Chairmen, Standard Railway Labour Organizations.
W. G. Graham.....	Vice President, Brotherhood of Locomotive Firemen and Enginemen.



J. J. Hendrick.....	Vice President, Brotherhood of Railroad Trainmen.
W. H. Phillips.....	Vice President, Order of Railroad Telegraphers.
J. J. O'Grady.....	Vice President, Brotherhood of Maintenance of Way Employees.
H. B. Chase.....	Vice President, Brotherhood of Locomotive Engineers.
J. L. D. Ives.....	Vice President, Order of Railroad Conductors.
Chester Jordan.....	President, Quebec Provincial Council of Paper Mill Unions.
Emile Lajoie.....	Secretary, Quebec Provincial Council of Paper Mill Unions.
J. A. Brass.....	General Secretary, Railway Association of Canada.
J. H. Holden.....	Builders Exchange & Construction Industry. Montreal.
L. A. Forsyth, K.C.....	Dominion Steel & Coal Corporation and other employers.
C. M. Anson.....	General Manager, Dominion Steel & Coal Corporation
John Noble.....	General Organizer, American Federation of Labour.
H. McD. Sparks.....	Montreal Board of Trade.
Peter Tully.....	President, Canadian Federated Council of Employees.
F. R. McKelvie.....	Secretary, Canadian Federated Council of Employees.
Magnus Sinclair.....	Member of General Executive Board, Amalgamated Association of Street & Electric Railway Employees.
R. H. Brown.....	International Printing Pressmen & Assistants Union of North America.
William Craig.....	President, Division No. 4, Railway Employees Department, A.F. of L.
William Long.....	General Chairman, Machinists C.P.R. Lines, Montreal.
A. E. Payne.....	General Chairman, Sheet Metal Workers, C.N.R. and C.P.R. Lines.
William Ansell.....	General Chairman, Steam and Pipefitters, C.N.R. and C.P.R. Lines, Montreal.
A. A. Bourque.....	General Chairman, Electrical Workers, C.N.R. and C.P.R., Montreal.
William Hughes.....	General Chairman, Brotherhood of Blacksmiths, C.N.R. and C.P.R. Lines, Montreal.
D. Holtby.....	General Chairman, Brotherhood of Boilermakers, Dist. No. 4.
S. Upton.....	Chairman, Brotherhood of Railway Carmen of America, C.N.R. and C.P.R. Lines, Montreal.
W. H. C. Logan.....	General Chairman and President District No. 2 Machinists, C.N.R. Lines, Winnipeg.
C. S. Jackson.....	United Electrical Radio and Machine Workers of America, C.I.O., Canadian Congress of Labour.
Miss N. Lee.....	Canadian Welfare Council.
Miss Margaret L. Reid.....	for H. R. Kemp, Wartime Prices and Trade Board.
J. C. Adams, K.C.....	Central Ontario Industrial Relations Institute.
W. R. Crampton.....	President, Independent Union Greening Wire Employees, Hamilton.
D. Mitchell.....	Independent Union Greening Wire Employees, Hamilton.
A. J. Hills.....	Chairman, National Joint Conference Board of the Construction Industry.



J. L. Kingston.....	Secretary, National Joint Conference Board of the Construction Industry.
T. R. McLagan.....	Employers Quebec Shipyard, member Quebec Regional Board.
R. H. Gale.....	Canadian Car & Foundry Company Limited, Montreal.
Tim Buck.....	Dominion Communist-Labour Total War Committee. Movement.
J. Herve Lacroix.....	Managing Secretary, Joint Committee of the Automobile Industry of Montreal and district.
H. T. Lachappelle.....	President, Syndicat National Auto Voiture Inc., Montreal.
Paul Fournier.....	President, Montreal Trades and Labour Council.
Elphege Beaudoin.....	President, Local 790, Montreal Tramways.
Irving Burman.....	Financial Secretary, Lodge 712, International Association of Machinists (Aircraft).
Jean Pare.....	Business Agent, Lodge 712, International Association of Machinists (Aircraft).
Adrien Villeneuve.....	Grand Lodge Representative, International Association of Machinists, Lodge 712 (Aircraft).
W. Belanger.....	Business Agent, International Upholsterers Union.
Bernard Shane.....	General Organizer, International Ladies' Garment Workers Union.
D. S. Lyons.....	International Association of Machinists.
Karl Frolsaas.....	President, Local 375, International Longshoremen's Union.
Eugene Duplessis.....	Recording Secretary, Hotel and Restaurant Employees International Union, Local 200.
Jean Jodoin.....	Business Agent, Local 23216, Ammunition Workers of Cherrier, A.F. of L.
D. Cuisinier.....	Financial Secretary, Small Arms Ammunition (Shop D.I.L.), Lodge 1594, International Association of Machinists.
V. Francoeur.....	Organizer, A.F. of L.
Edouard Larose.....	District Secretary, United Brotherhood of Carpenters and Joiners of America, Montreal.
M. Swerdlow.....	Trades and Labour Congress Organizer.
A. Whelan.....	Financial Secretary, Lodge 1596, International Association of Machinists.
R. Mathieu.....	Lodge 1596, International Association of Machinists.
J. Rouleau.....	Lodge 1028B, International Brotherhood of Electrical Workers (Marconi Shop).
Jack Lenger.....	Business Agent, Hotel and Restaurant Employees International Union, Local 382.
R. Dubord.....	Local 111 (Angus Shops), International Association of Machinists.
Romeo Desparois.....	Financial Secretary, Local 111, International Association of Machinists.
L. Huot.....	President, Local 111 (Angus Shops), International Association of Machinists.
Miss C. Watson.....	Treasurer, Local 111 (Angus Shops), International Association of Machinists.
Sam Finlay.....	International Representative, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, A.F. of L. and T. & L.C.



Brooke Claxton, M.P.....	Canadian Chamber of Commerce.
Angus MacInnis, M.P.....	Co-operative Commonwealth Federation.
Clarence Gillis, M.P.....	Co-operative Commonwealth Federation.
Arthur Martel.....	United Brotherhood of Carpenters and Joiners of America.
Alderman Salsburg.....	Toronto City Council.
William H. Burnell.....	Second Vice President, International Brotherhood Pulp, Sulphite and Paper Mill Workers.
J. A. D'Aoust.....	Fourth Vice President, International Paper Makers Union.
Eugene Giroux.....	President, Ottawa, Hull and Gatineau District Council Paper Mill Unions.
J. Sommerville.....	International Association of Machinists.
James Russell.....	International Union of Mine, Mill and Smelter Workers, C.C.L.
Mrs. V. MacMillan.....	Secretary Treasurer, Prospectors and Developers Association of Canada..
L. Beland.....	Electrical Worker, Masson, Que.
Brydon Jack.....	Acting Personnel Manager, C.P.R.
E. R. Complin.....	Personnel Manager, C.I.L.
W. J. Coyle.....	International Brotherhood of Boilermakers.
A. I. Garvock.....	General Contractors.
G. Picard.....	Secretary, Canadian and Catholic Confederation of Labour.
H. Gould.....	Montreal Board of Trade.
T. D. Delamere.....	Osler, Hoskin & Harcourt, Toronto.
R. P. Sparks.....	Ottawa.



# NATIONAL WAR LABOUR BOARD


## LABOUR RELATIONS AND WAGE CONDITIONS IN CANADA

(PRELIMINARY SESSIONS)

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## NATIONAL WAR LABOUR BOARD

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The CHAIRMAN: In opening this inquiry into the question of labour relations and wages I should first like to express to those present to-day our appreciation for their attendance, particularly having regard to the relatively short notice given of these preliminary sessions. We feel that it augurs well for the future course of this inquiry that so many persons, attending on behalf of so many representative organizations and groups in Canadian life, are here to-day to assist us in working out a program for the conduct of the inquiry and the investigation which we are to enter into.

It should be stated, perhaps, that in addition to those present here to-day, the Board has received communications from a great number of individuals, representing a number of organizations, informing us of their desire and intention to participate in these proceedings when we enter into the actual inquiry stage.

In the Order in Council which reconstituted the Board and appointed us, passed on the 11th day of February, 1943, as P.C. 1141, the Wartime Wages Control Order (P.C. 5963) was amended so as to grant the necessary authorization to conduct such an inquiry as we now propose to hold.

The matters which the Board was thus given power to inquire into and report upon, generally speaking, fall into two main categories:—

1. The question of labour relations, as to which the Order in Council directs the Board's attention to the provisions of P.C. 2685, and
2. The question of wages, cost of living bonus and associated questions, with particular regard to the provisions of the Wartime Wages Control Order itself and the administration of that Order.

It appears to us that the inquiry which we now institute, similarly falls into these two main categories, that is labour relations and wages, with their associated questions. These two main categories, in turn, may divide themselves naturally into two further classifications, namely, those which have an immediate impact on the problem of complete mobilization of the forces of industry and labour in the furtherance of the war effort and those which have an effect or influence, or which may extend, beyond the immediate war period.

When these extensive powers of inquiry and report were conferred on the Board we were of the opinion that the effective discharge of our responsibilities would be assisted, and indeed might only be possible, if the matters over which we were to exercise jurisdiction, and the legislative provisions and administrative policy relating thereto, were made the subject of the widest possible public inquiry and discussion. It was our view that by this means the public would more completely understand, accept and co-operate with those responsibilities and provisions which are necessary and advisable in times of war, and at the same time bring before the Board's attention, so that we could in a subsequent report bring them to the attention of the proper authorities, any additional matters which should be provided for in the interests of curing industrial unrest and assisting harmony in industrial relations and uninterrupted industrial production.

Quite naturally, at its inception the Board considered it necessary to deal first with the current accumulated cases which then required hearing and decision. We have followed that course and at the same time we have reasonably acquainted ourselves with the provisions of the Orders we administer and some of the questions involved in them. Having done so we have now instituted the inquiry which was provided for when we were appointed and which we then regarded, and no less now regard, as necessary in the public interest.



We need hardly state that the Board enters into this inquiry without bias or prejudice in favour or against any individual, class or group whether in industry or labour. While we deplore, with all others, incidents or occurrences which disturb labour relations, to say nothing of retarding production efforts, we are mindful of the fact that there may be conditions, either in respect to existing relations between industry and labour, or in respect to the effect of some of the provisions of existing legislation, or even the administration of such legislation, which contribute to, and which at times may even create, the uneasiness and unrest which results in strike action. Our purpose in this inquiry is to get to the root of these matters so far as it is humanly possible to do so and to institute a process whereby, as a result of co-ordinated thinking and public discussion on these questions, appropriate remedies may be devised and recommended.

Our formal announcement of this inquiry indicated four headings:—

1. Examination of the existing provisions of the Wartime Wages Control Order and associated legislation.
2. The functioning of the War Labour Boards.
3. Labour relations generally, with a view particularly to making effective the principles enunciated in P.C. 2685.
4. Any other matters, specific or general, relating to the above and to the furtherance of the war effort.

These general headings enable the fullest inquiry into all matters bearing upon the labour situation in Canada and we have no desire, either now or at any time during the course of the inquiry, to limit or confine the representations which any person or organization desires to make to us. It does seem to us to be proper, however, to indicate to you, and by this means to those who will later participate in the inquiry, that some specific questions present themselves to the Board in respect to which we would appreciate argument and opinion from those who will appear before us. Treating the matters again as falling within the two main categories of labour relations, on the one hand, and wage and associated questions, on the other hand, these specific topics appear to us to be as follows:—

#### *I. In the field of labour relations—*

- (a) In what way should existing legislation or administrative practice be revised, amended or implemented with a view to promoting harmonious labour relations and uninterrupted production?
- (b) Should any such legislative action be adopted as a war measure only under the authority of the War Measures Act, or should it be implemented in any way by legislative action with a view to extending any of these principles and policies into the postwar period?
- (c) What are the underlying causes of strikes or lockouts in war time and what steps should be taken to avoid or deal with strikes or lockouts during the war?

#### *II. As to wages, cost of living bonus and associated questions—*

- (a) Generally as to the existing provisions of P.C. 5963 and the administration thereof.
- (b) What, if anything, should be provided with respect to bringing about more uniformity in respect to cost of living bonus?
- (c) To what extent, and under what circumstances, should new conditions of work be ordered or authorized which involve increased cost of production?



- (d) Should there be a floor below which the Wartime Wages Control Order need not be operative?
- (e) To what extent should local, zone or national standards govern conclusions as to wages?
- (f) To what extent should a "living wage" govern policies and decisions and what are the data and considerations relevant thereto?

These may not, probably do not, exhaust the matters which the Board should inquire into and deal with, but we suggest them to indicate the main considerations which seem to us to be involved and to illustrate the matters upon which we desire to receive representations.

We have already received every indication of the fullest co-operation of all sections of society and can only assure these parties and the public generally that the Board will do its utmost to conduct the hearings and conclude its report as expeditiously as possible. At the same time it should be kept in mind that there will be cases which the Board will be required to deal with, and since it is our view that cases should not be held up by reasons of the inquiry, it may be necessary to adjourn the inquiry at times when that course is dictated by the Board's duties in regard to cases or appeals. Subject, however, to that single consideration we shall endeavour to apply ourselves completely to the inquiry now inaugurated and we shall appreciate, and we are sure that we shall receive, the co-operation of all parties to that end.

We should now like to hear from those who are present before us to-day as to their views both as to the subjects or topics which should be inquired into, and the method to be adopted in conducting the inquiry, and particularly as to the earliest date when the parties can be ready to proceed with submissions. Before doing this, however, we are anxious to state that we invite the co-operation and attendance of representatives of the various departments of labour and of the Regional Boards. Formal requests for such assistance have been sent out but we desire to make quite clear in this public fashion that we look to the fullest co-operation and assistance from these public bodies and departments.

Before concluding this announcement, may I emphasize and make it quite clear that the Board recognizes that the question of labour relations is within the field, to a large degree, of provincial jurisdiction, and that the inquiry is designed in no way to impinge upon any jurisdiction at present enjoyed by the provinces, except that under the emergency powers in time of war it may be necessary for the period of the emergency to make certain recommendations and do some things which for that period only may impinge upon that jurisdiction.

Primarily we will bear in mind at all times the fact that the problem of labour relations is in large measure imposed on the provinces. It is only, in so far as they are concerned, that we deal with the matter from the point of view of emergency arising in war time.

Now, gentlemen, as I emphasized a moment ago, at this preliminary stage of the inquiry there are two matters that we are generally interested in. The first is what subjects or topics it is felt we should deal with, other than those which have been mentioned, and the second is the procedure which should be followed and the question of what kind of submissions should be got together in a thoroughgoing manner, so that later on we can deal systematically with them in hearings from time to time.

I mention these subjects as the ones we are interested in to-day and to-morrow. The full submissions in connection with these matters will be taken up at a later time. As indicated in the formal announcement, anyone desiring to be heard can communicate with the secretary of the board.



The CHAIRMAN: Now, Mr. Bengough, if you would like to say something.

Mr. PERCY BENGOUGH (Trades and Labour Congress): As I understand it, Mr. Chairman, you are going to set dates for the hearings?

The CHAIRMAN: Yes, there will be dates set when the particulars for submission are ready, and as we get going and develop the proceedings.

Mr. BENGOUGH: I think we could pretty well be governed by your discretion, sir, because we did not have a great deal of time to have a brief prepared which we could submit to you.

There is one thing which comes to my mind, and that is the question of labour representation on war production boards, administrative boards. That is a matter which has caused considerable dissatisfaction and unrest throughout Canada with the working people. I was wondering if that matter could be brought up here, because it is, in our opinion, one of the most serious and one which needs rectification. I think a cross-section of such boards is the Wartime Merchant Shipping, covering shipping production, in which some seventy thousand employees are engaged, and there is absolutely no representative for labour on the board of administrators. In other countries, Great Britain for instance, full recognition has been given to labour on these boards. There is equal representation with the employers. I was wondering if that was a matter which could be considered here, in view of the ramifications of it, the great amount of unrest it has caused, and the great hostility of management towards labour.

The CHAIRMAN: I think that is quite a proper matter to bring up.

Mr. A. R. MOSHER (Canadian Congress of Labour): I presume that what you are looking for at this meeting is some suggestions from the representatives of the various organizations here as to what should be inquired into, and what plan the board should follow in investigating any proposals that might be brought before you. It seems to me I will have to repeat what I have said on many occasions, that one of the most important things in Canada to-day, from the standpoint of organized labour, is that the government should have a clear and distinct labour policy. I have made this statement on previous occasions and have no hesitation in making it again, that there is no labour policy at the present time. It is a case of moving from pillar to post, trying to crowd out the effect rather than eliminate the cause of much of the discontent that prevails among the working people of this country. We submit there must be organization of labour, compulsory collective bargaining and some regulations outlawing company unions. I say that one of the greatest causes of discontent is the company union. I want to make it clear that I am not finding fault with independent unions. When I say "company unions" I refer to those groups of workers that are organized by, and frequently financed by, the employers, and their whole policy is controlled to a very great extent by the employers of labour. I think it is essential if we are to have the best in industry both from the standpoint of the employers and of the workers, that company unions be outlawed. I also want to endorse what Mr. Bengough said with respect to representation of labour on the various government bodies. Labour wants to be taken into partnership because labour feels that it has more at stake in this war than any other class in the community, because it realizes it will suffer most in the event that we should lose the war.

Some may say that it is not sound for somebody who has had something to do with strikes to say this, but I may say it is very often necessary to strike in order to get a bigger war effort. It is not that the representatives of labour like that, but they find themselves pushed into a corner and there is no other alternative.

Another thing we think the government might do, instead of passing pious resolutions such as we have in P.C. 2685, which suggests there should be a certain



relationship between employers and workers, is to make it compulsory for some of their own branches to bargain collectively, such as the Canadian Broadcasting Corporation and the National Harbour Board, for example. To-day if we approach these two bodies they tell us that the government policy is that these organizations should not bargain collectively and enter into agreements with organized labour.

You mentioned a point that it seems to me is very important, the fixing of a floor for wages, below which free negotiations might take place between the employers and the labour organizations, rather than having to go to any board in order to get approval. It seems to me that the government, to a certain degree at least, in having set 50 cents an hour, or \$25 a week, as the basis upon which to calculate the cost-of-living bonus, must have had in mind it was the minimum below which working people could not be expected to live.

With respect to the cost-of-living bonus, there is a very strong demand that it should be levelled, in other words that the same bonus should be paid to all workers, that it should not be set back to the last time they received a raise in pay. It seems to me that after this order in council came into effect employers and their workmen found it necessary to raise the basic rate of pay, or the standard rate of pay, and they should all pay the full cost-of-living bonus. Instead of this we find in many industries two sets of bonuses are paid, and there is a serious conflict which does not help to keep labour content.

I think the board might very well inquire into the matter of speeding up conciliation procedure. I would be the last one to find fault with the conciliation branch of the labour department. I think in the years past and up to the present they have done splendid work under the Industrial Investigations Act and other orders in council which have been passed since the war began, but these have a tendency to slow up the conciliation procedure. Then again you have to take a strike vote before you can ask for a conciliation board. We have urged that during the present emergency that provision be eliminated from the Industrial Disputes Act, thus removing the necessity for the workers having to congregate and discuss a strike, and to vote in favour of it, before conciliation can be established.

There has been some discontent with the cost of living bonus and the indices which indicate the rise in the cost of living, and it is thought the investigation on which those figures are based should be wider. Many of our people are urging that these investigations should be on a regional basis rather than a national basis—the setting up of three or four regions across Canada in which the cost of living statistics would be compiled, thus giving a more accurate idea of the cost of living indices, and a more equitable payment of cost of living bonus. The cost of living bonus is increasing more rapidly in some localities than in others.

We have also thought that some consideration should be given as quickly as possible to the reorganization of the regional war labour boards. We believe that in some of the larger industrial provinces it is necessary that these regional boards should be full time boards, so there would not be an opportunity for cases to pile up before them, with the consequent delay in dealing with applications which may come before them. We think something should be done in that connection as speedily as possible.

We suggest also that the board might give consideration to the matter of increasing the powers of the board, not only to deal with wages and cost of living bonus, but to deal with working conditions as they may be set forth in agreements or as they may be sought for in agreements.

It is absolutely essential in the opinion of many groups of workers, if they are to maintain a closed shop or maintain their membership, that there be a clause in their agreement, in order for them to assume their full responsibility in seeing that these agreements are carried through to the letter when they are



made. It seems to me the board should have power to adjudicate upon matters of that kind, where labour disputes are apt to arise, if the employer stands out as he does in many cases, against the closed shop, or anything of that kind.

We feel that workers in the industry are as much obligated to pay their taxes to the labour organization which has secured the majority of the workers in any particular plant or industry and pay for the benefits they receive, and the protection they get through the organization, as they are to pay their taxes to a city for police or fire protection. We feel that those who will not abide by the democratic wish of the employees in a plant should be placed in the same category as those who shirk their responsibility in community life.

We think some consideration might be given to the question as to how we can more adequately develop labour and management committees. We are not sold on the idea that these committees will work where there is no organization of the workers in the industry. Very often where they are attempted they turn out to be merely employer-controlled committees, and do not operate very efficiently. It has been found in Great Britain and the United States that where the employers of organized labour have proper relationships with their workers, and have these joint committees established, they have been very successful, and have eliminated bottlenecks.

I think that is all I have to say for the moment.

The CHAIRMAN: I take it when you come to your final brief you will cover all these subjects?

Mr. MOSHER: I will.

Mr. L. A. FORSYTH (Dominion Steel and Coal and others): I just have this to say. I believe that the inquiry upon which this board is now embarked is one that can do a great national service, and I think the board should be congratulated upon having the courage to undertake a very difficult task, and upon the promptitude with which they have tackled it.

You have invited suggestions. If we start with the legislation, and seek in that legislation to find out what the policy of the government was at the outset; then before we can get to any reasonable solution of the difficulties, we must examine the things that have happened in the meantime, and try to relate those things that have happened which none of us feel too pleased about. If there is either a weakness in the policy as enunciated by the legislation, or a weakness in the application of those policies, it seems to me, before one can get at that, it is necessary to have a complete background upon which to operate. Many of the facts that should be obtained could perhaps be more easily ascertained by this board than by any organization or employer who wished to examine into it.

I made, with the assistance of Mr. Anson, a little memorandum of which I shall be very glad to have copies made if it is necessary to do so. It seems to me that what precipitated this inquiry was the fact that there appears to be in the country to-day a definite industrial unrest, which has been manifested by several strikes that have taken place, or have been threatened, within recent days.

I think the first inquiry that should be made is one to determine the underlying cause or causes of any unrest manifested by these strikes, and that certain information would be required for that. To start with I would suggest a complete record of all strikes which have taken place since the outbreak of war. That should indicate the location of the industry in which the strike took place, the type of industry, the medium through which relations between employers and employees was handled, the progress of negotiations between the parties prior to the strike, the number of people who were involved in it, the trade unions, if any, involved, and the actual reasons for the strike, its duration, the terms upon which it was settled, and the agency used to arrive at the settlement.



Secondly, for the purpose of relating the question of wages and the cost of living bonus to the present unrest, there should be a complete record of the decisions of regional war labour boards of matters of wages and cost of living bonus available to those from whom the board may hope for some assistance.

Mr. COHEN: What do you mean by a complete record? That is a pretty healthy job.

Mr. FORSYTH: I think it is, but we are going to find out when we examine into this thing that this question has two sides to it. Let us assume we had a policy which has been referred to at times as the wage freezing policy. Now, there does not seem to be any doubt that the regional war labour boards have not adhered to that policy. That may be the fault of the regional war labour board, the fault of the employer or of the employees—all three or any two of them in combination. It seems to me if one had a record of the decision it would indicate whose application was responsible for the matter coming before the board, whether an application of the employer or of the employee, or a joint application, and the reasons given by the regional labour board for its departure, if it was a departure, from the policy. This would give a reasonable background for the conclusion they reached.

With that information from the regional war labour board one should have, of course, reasons showing whether any wage increases were given, and the attitude of the regional boards towards the cost of living bonus and the legislation which created it.

Another thing which has caused a great deal of difficulty is jurisdictional disputes. It may very well be that these jurisdictional disputes are brought into a field where they should not be at all. Normally there ought to be a formative, and if possible, compulsory procedure, by which a question of jurisdictional dispute would be removed from the realm of discussion between employer and employee. It seems odd that because two labour organizations are contesting for the favour of the employees any question of strike should occur. Perhaps the reason it does occur is that the employer is brought into a dispute in which he has not a primary or vital interest; or perhaps he invites himself into it. I suggest that if there were made available for the purposes of this investigation a factual record and history of these disputes, it would be very helpful information.

I heard Mr. Mosher speak of conciliation procedure, and he suggested that conciliation proceedings of the Department of Labour have to a certain extent been delayed in the past. I would agree with that. On the other hand it seems to me a great many things in connection with that ought to be thoroughly investigated from the point of view of what the legislation contains and how it has been administered.

There is another difficulty we have in this country, and that is the divided jurisdiction in relations between employer and employees. We have one type in Nova Scotia and another type in British Columbia. I suggest that a detailed investigation of the legislation which exists in the country should be made, with a view to considering whether some process of uniformity in such legislation can be enunciated, to the end that the rights of labour and employers in the various provinces could be made uniform.

There is one topic which Mr. Mosher did not discuss, although he laid emphasis on the compulsion which should be applied to parties on their side, and that is the question of legislation by which some responsibility would attach to the operation of trade unions. This is a matter which I think should receive consideration from this board. With it is involved, of course, the study of labour legislation in other parts of the world. Although some parts of the world right now do not lend themselves readily to study, there are others which do. It is perhaps a very happy situation that the parts which do are the parts which have the same philosophy of life and living as we have in Canada and the United States.



Mr. Mosher referred to one thing which I think deserves close examination, namely, the principles that lay behind closed shops on the one hand, and the responsibility of closed shops on the other; as to whether we can adhere strictly to the principles of free choice and freedom of action when by agreement between two parties the right of choice of a third party is excluded.

This summarizes the material which I suggest should be made available factually to the parties from whom this board expects to receive assistance.

Regarding decisions of the regional war labour boards, I believe those would be much more readily and quickly obtained through the facilities of this board than through any facilities open to individual investigators.

Apart from that I have nothing further to say. I wish to assure the board and others present here of the full co-operation of the persons whom I represent, and of myself, in the attempt to arrive at a solution of the problems which are fast becoming paramount in our day to day life.

Mr. BENGOUGH: There is a delegation from the Quebec Provincial Federation of Labour and the Montreal Trades and Labour Council who were unavoidably detained and have just reached here.

Mr. E. BEAUDOIN (Quebec Federation of Labour): I will read a statement which we have prepared for you:—

STATEMENT TO THE NATIONAL WAR LABOUR BOARD  
PUBLIC INQUIRY, APRIL 15, 1943, ON BEHALF OF THE  
QUEBEC PROVINCIAL FEDERATION OF LABOUR,  
MONTREAL TRADES AND LABOUR COUNCIL

*To the Chairman and Members of the Board:*

GENTLEMEN,—The Quebec Provincial Federation of Labour and the Montreal Trades and Labour Council, on behalf of their affiliated union locals, congratulate the National War Labour Board on its decision to conduct this public inquiry into the field of labour relations and wage policy in Canada. We greet this as a constructive step towards the establishment of a realistic labour policy for our country, based on the need for uninterrupted production and for removing the grievances that are causing disaffection among our workers. We must commend the Board for its courage and initiative in tackling a problem that has for so long been the source of irritation and strife. Too much time has already been lost because those in authority were unable or unwilling to face the situation squarely and find a solution. After the evasions and the insistence on technicalities which we have witnessed in the recent period, the Board's action is most refreshing.

Most of those in our delegation here to-day are from the Montreal area. Coming from the industrial heart of the province of Quebec, where during the past year a great wave of union organization has swept through the principal war plants, and where the problem of labour relations is the key to the solution of grave and complex questions that are of primary concern to our nation at war, we are deeply appreciative of the opportunity now afforded by the Board to bring to light the vast panorama of grievances, injustices, hindrances and difficulties with which our movement has had to contend.

On May 7, 1942, through the Quebec War Labour Organization-Production Committee, our movement launched a campaign dedicated principally to the removal of those obstacles which stand in the way of all-out production for the war effort. While seeking redress for the grievances of our people, through the channels of regular trade-union action, we have never lost sight of the fact that the war effort must take first place in our considerations.



Instead of welcoming and encouraging our efforts to improve labour-management-government co-operation, many of the employers were bitterly antagonistic. In cases where we succeeded in establishing friendly co-operation with managements, the effect was often nullified by indifference and even open hostility on the part of government agencies and departments. As time went by, it became more and more evident to us that the failure of our government to meet the sharpening situation with adequate legislation and the revision of outworn machinery was leading inevitably to a crisis.

We did not neglect to warn those in authority of this gathering storm, and we approached the responsible minister, his colleagues, and the Prime Minister on many occasions, presenting the facts and drawing attention to the increasingly critical state of labour relations in various Quebec industries. These presentations are matters of public record, and from them it may be seen that we correctly estimated the approaching dangers.

The crisis of which we warned is now full upon us. We need only mention the case of the Montreal Tramways strike—a disgraceful occurrence which could easily have been avoided by proper action at the proper time. This is only one case, one which, by its serious challenge to the most important task to which we have dedicated our movement, has focused the attention of the people of Canada upon the question of labour's rights and labour's duties to-day. There are other cases which in their implications are just as serious as the Tramways case. That the crisis did not come sooner, or was not even more severe, has been due only to the consistent and desperate fight which our organizations have carried on to convince the workers that they should stay on the job, and that it will eventually be possible to get the authorities to act on their grievances without resort to strike. In many cases we succeeded, but in some we could no longer control the situation, and the result has been strikes which we did not want, strife which we sought to avoid, and the expenditure of effort and money which we would gladly have devoted to a more constructive object.

In simple words, we have to-day a situation where the workers are "fed up". They are not disloyal, and by far the greatest majority of them would gladly support the pledge given by the leaders of the International Trade Union movement to avoid using the strike weapon in wartime. But their patience has been tried beyond endurance. When they avoid precipitate action, they find their forbearance mistaken for weakness. Discrimination against Union members and Union leaders proceeds almost without hindrance. The Quebec Regional Board continues to be a graveyard for the legitimate aspirations of the workers, while a thousand grievances cry for redress. As a result, the production for the arming of our forces and those of our allies suffers.

In Arvida, despite the fact that for many months our movement has tried by every possible means to bring to the attention of the authorities the growing seriousness of the crisis, the workers have been met with callous neglect. The desire of the great majority of aluminum workers to turn their full attention to the problems of production has been thwarted by the refusal of the authorities to order a democratic vote which would clear the air and establish the right of the workers to be represented by the union which they have freely chosen, resulting in to-day's threatening situation.

The recent Tramways strike in Montreal has been "settled" by an action on the part of the government-appointed conciliator which in many ways rivals the strike itself as a threat to the peaceful settlement



of our problems. This was demonstrated by the trouble that occurred in the Cherrier munitions plant shortly after the conclusion of the tragic Tramways incident, and by the crisis which was narrowly averted in the Montreal aircraft plants two weeks ago, a crisis which may arise again at any moment if the aircraft workers are allowed to feel that they must be penalized for their patience and loyalty during the time taken for the settlement of their just claims.

In Sorel, where guns and ships that are of prime importance to our war effort are being produced, the seeds of civil war are being sown. With evident encouragement, anti-union elements and the Catholic Syndicates have resorted to violence that has already cost a human life in their drive to head off organization of the workers by the Sorel Metal Trades Council of the International Union, but the Department of Labour claims that it is powerless to act.

At the Longueuil plant of the Dominion Engineering Works, the failure to settle the workers' grievances, and our pitifully inadequate Selective Service policy have produced chaos and an alarming decrease in vital output of guns, after our government has made a \$12,000,000 outlay for plant and equipment, much of which is lying idle. No apparent action is being taken here, although the case has been brought to the attention of several responsible ministers.

In the great textile plants at Valleyfield and Montreal, the lack of effective machinery to force the bitterly anti-union employers to bargain with the union chosen by their employees is leading in the direction of a repetition of the terrible battles of a few years ago, and still nothing is done.

In the Canadian Marconi plant in Montreal, where the workers have been shamefacedly dragged through the interminable processes of conciliation which the law now provides, only to be denied recognition of their union by a company whose cynicism is apparently beyond the reproof of our present set-up, the point has been reached where workers who have borne their disappointments with great patience are forced to express a desire to strike so that a conciliator might be named to provide them with an opportunity to repudiate by a vote the company-union which was forced on them.

These are only a few of the cases that exist, and we cite them only as illustrations of the condition that we face. In addition, the mass lay-offs that are taking place in many of the war industries are adding fuel to the flames, and the workers are in a suspicious and dangerous mood. This will not be overcome by elaborate explanations or smooth statements from ministers or department heads, but only by positive policies and actions.

The workers of Quebec are showing that they must have more than mere legal quotations handed to them. Our campaign aims are the achievement of full economic equality for the workers of Quebec. Something must be done to convince the Quebec people that they are not regarded as second-class citizens. The improvements which we have succeeded in gaining for the Quebec workers in the recent period have accomplished more for the creation of true national unity than the sum total of all the well-intentioned but abstract approaches to the question to date. This fact is often disregarded by those who observe the great patriotic achievements of our people in this war. But it is not lost upon the defeatists and the quisling elements who are still permitted to flourish in our midst, and while the authorities turn a deaf ear or look the other way, the anti-war circles capitalize upon the failure to give attention to the honest discontent and grievances of our workers.



We of the International Trade Unions in Quebec are looking to the hearings which your Board is now conducting for a chance to give this crisis the place it deserves in our consideration of national problems, and we look forward to the report which your Board will make, under its authority, as a means for the removal of the abuses which underlie the present unrest and for the provision of adequate legislation to prevent the recurrence of such a crisis.

We are hopeful that the Board will, in the course of the hearings, afford an opportunity to our organizations to present briefs bearing more specifically on the cases which concern them, and on the proposals for their solution.

The hearings which begin to-day are most timely. We share with the public at large the feeling of urgency about the impending invasion of the fascist-dominated continent of Europe. When Canada's sons, spearheading an Allied invasion, go into action in the great and bloody battle which lies ahead, we must have at their service here in Canada a war machine which will be as efficient, as completely devoted to the cause, and as solidly organized, as their own fighting force is efficient, devoted and organized. Your Board has the historic responsibility of eliminating the hazards and the divisions which now stand in the way of our total support for the total war upon which depends the future of our country and of civilization itself. In your seeking for the facts and in your deliberations, you may count upon the unions which we represent to facilitate your work in every possible way, and to provide you with whatever data may be in our power.

Respectfully submitted,

PAUL FOURNIER, *President*,  
Montreal Trades and Labour Council.

ELPHEGE BEAUDOIN, *President*,  
Quebec Provincial Federation of Labour.

The CHAIRMAN: I may say for your benefit and the benefit of others who have come in late that we are proceeding now to establish a program. As requested in the statement you have just read, you will have an opportunity to bring forward a full brief at a later date. About how long do you think it might take to prepare one?

Mr. BEAUDOIN: We can have that brief very soon in May. Our plan has existed in our mind for a long time; the opportunity was the only thing missing. May I inform you that the Quebec Federation of Labour will be meeting in a special convention on the 1st and 2nd of May, and the final suggestions can be forwarded about the 3rd of May.

Mr. N. F. PARKINSON (Ontario Mining Association): I represent the Ontario Mining Association. This is an association of mine owners and operators representing practically all the metal-producing mines in Ontario. The number of these mines is 52 and they employ 26,000 men.

The mining industry has been fortunate in being free from major labour troubles for many years. We have experienced only four strikes in 36 years. This situation has been realized through real progress in employee-management relationship and has resulted in the highest pay for continuous employment in Ontario, if not in Canada, under good living conditions. We are very anxious to maintain that condition.

We suggest for your consideration that the maintenance and encouragement of independent company unions should be investigated very carefully. We feel that many successful results have been obtained through co-operation with our own employees. These employees in their independent unions are free to decide things which are concerned with their own conditions.



We would like to suggest also that your Board should carefully investigate the effect of foreign-controlled unions, in so far as Canadian unions are concerned. We feel there may be a real danger that the interests of foreign-controlled unions may not be identical with the interests and welfare of Canadian employees. We also feel that foreign-controlled unions in a time of severe economic conditions, particularly in view of the promises contained in the Atlantic Charter whereby we shall have free trade, may lend themselves to the disruption of Canadian industries to the advantage of others.

Another matter which we think should be investigated thoroughly is the setting up or continuation of so-called craft unions. Our feeling is that they lend themselves as a source of continuous labour strife, and in many cases expose the majority of employees to influences and control by the minority. In other words when a small craft union goes on strike the whole industry is often forced out because that craft union is essentially an operation of the whole business.

Another matter which we consider should be looked into—it has already been dealt with by Mr. Forsyth—is the question of the closed shop. I confirm what he says. The closed shop in our opinion is undemocratic and unfair in that it denies to the individual personal freedom and the right to work.

Another thing I would like to mention here is that of our total of 26,000 employees in the mining industry we now have some 5,000 on active service. These men are away and their voice cannot be heard at the present time. Not only should their opinions be obtained, but their position should be very carefully protected.

Union development in Canada may be said to be comparatively young. We feel we are in a position to take advantage of the progress made in other countries, where they have been through a great deal of strife, and we know what they have arrived at. I believe the advance in Great Britain and the United States has been great, but it has resulted in even more stable conditions in the Scandinavian countries. These countries are entirely unionized, not only by the employees but also by the employers. It seems to me that we should be glad to take advantage of the information available with regard to the trials and troubles there, and use in our own living some of the things they have learned. We will get farther ahead by taking advantage of the lessons we can learn from these other places.

I would therefore suggest that the question of employer unionization be given consideration.

That is about all I have to say, except that so far as the presentation of a brief is concerned, we would prefer that the hearing be held in Toronto, and we would be prepared any time after June 1st to give you the information we shall have obtained.

Mr. H. MOCKRIDGE (Association of Employees, Canadian Car and Foundry Company): I am representing four organizations here to-day, embracing within their membership probably 26,000 employees. Our remarks are going to be brief and conclusive. When a man is sportsman enough to be born in this country he has a certain heritage. One of these heritages is the right to work where, how and as he pleases. It is understood by all you labour men that there is a tendency on the part of industry to deprive labour of a fair share of its profits. That could be adjusted. There is a certain type of labour organization that has lately given the labour movement a black eye. I would like to say there are more workers in this country not in organizations than there are affiliated with any labour union.

I have heard several remarks here about company unions. I think in the country across the line there was legislation passed outlawing these organizations, and the repercussions have been unfortunate. They have not prevented strikes, in fact if anything they have aggravated them. I would not go so far as to

say that I support the attitude of some employers in subsidizing their employee organizations. Other measures can be taken. There are other organizations that should be outlawed in addition to them, in our opinion. Why stop at outlawing the company unions? There are other labour organizations that have no standing whatever before the courts. They are not incorporated or registered in any way, nor are they responsible to their members for the expenditure of their dues. They make no financial statements.

We would like to go on record as recommending the incorporation of legislation and supervision being given to all labour organizations.

Some unions have degenerated into rackets. Some of these unions have been responsible for illegal strikes. They have fought men who had no desire to be affiliated with any organization, abrogated the man's birthright and the right to work. I believe they are the instigators of strikes that are declared illegal, and if so they should be investigated and prosecuted. We have the laws; why can we not use them?

There should be the right to sit in over a conference table. Why can we not settle these things over a conference table without a strike? I see no reason why we cannot do it here.

I heard one gentleman here decry illegal strikes. I would like to tell him I admire his brand of intestines. I think that is all.

Mr. H. W. MACDONNELL (Canadian Manufacturers' Association): We have views to submit to you, particularly on the questions mentioned this morning—collective bargaining and union responsibility, conciliation, prevention of strikes, and so on. There is another important question, in our view, and that is how the wages ceiling is to be maintained. We would welcome an opportunity to submit to you the difficulties we meet in playing our part in maintaining the wages order. Naturally we are thinking of this against a background of the absolutely vital necessity of maintaining the price ceiling. The two stand or fall together, and at the present time we feel that the price ceiling is in grave danger because of the failure to maintain wages. I think the questions you have listed, together with the topics suggested by Mr. Bengough, Mr. Mosher and Mr. Forsyth and others, will give us what we need, and at any time within, say, the beginning of next month or the second or third week of the month, we should be glad to co-operate.

Mr. G. D. LAVIOLETTE (Canadian Laundry and Dry Cleaning Association): I believe, Mr. Chairman, that the agenda you have prepared and the matters mentioned by those who have spoken give a clear outline for your investigation I was wondering—on one point—where you can draw the line on the question of wages and prices.

The CHAIRMAN: You will be in a position to have some submissions prepared for us at a later date?

Mr. LAVIOLETTE: Yes, about the beginning of May we can do that.

Mr. W. L. BEST (Standard Railway Labour Organizations): Mr. Ward, the chairman of the general conference committee, arrived this morning on the 11.15 train, so that they have had no opportunity of getting together on their representations with regard to a definite policy, or even making any practical suggestions. I think they might have an opportunity of doing that this afternoon or to-morrow morning. They should be able to make a preliminary statement and also intimate to you just when they would be prepared to make a supplementary memorandum.

May I just say this while I am on my feet, because it concerns us very particularly. The railroad brotherhoods have been operating and functioning for almost three-quarters of a century through international organization. Some of the previous speakers referred to foreign-controlled unions. I want to



say that during all that period—and I have over fifty years' continuous membership in my organization—we have had complete local harmony in all matters affecting the membership of the lodges and divisions of this organization in the Dominion of Canada. I can speak of that because I have had charge of our legislative department for thirty-three years, and at no time has there ever been any interference from outside Canada, apart from the usual consultations we have, which we believe are of value not only to our respective organizations but also to the promotion of favourable relations between the two countries. I want to say that because it is only fair to you and to those who have some other idea with regard to the organization being controlled from the United States, because they happened to have had their origin there. Many of these organizations had their origin here as well as on the other side, and they are international.

I wanted to say that and I hope it will be of some value.

Mr. CHESTER JORDAN (Quebec Provincial Council of Paper Mill Unions): I represent the association of local unions which are affiliated with the Trades and Labour Congress of Canada, and most of them with the Quebec Federation of Labour, so that any brief that is prepared by either of these bodies we expect to collaborate in.

There have been suggestions put forward here this morning in a much better way than I can put them, but there is one matter I would like to mention, and that is the question of jurisdictional disputes. I think you could very well investigate that, and if some way could be found of settling these jurisdictional disputes without striking, it would be an advantage to all of us. If some way could be found of preventing a small community of men engaged in industry from shutting that industry down in spite of the fact that the rival union may have an agreement with the company which is perfectly good, it would be a step in the right direction.

So far as the regional war labour boards are concerned, I think we could well investigate them and find out if the men appointed to those boards really represent the men whom they are supposed to represent. We could investigate further and find out if the men on these boards are really qualified for the positions which they hold, or if they have been appointed by political influence. We can investigate whether or not these boards are operating in an efficient manner.

I think when we investigate these things we will find a lot of reasons for the industrial unrest in the Dominion of Canada.

Mr. J. A. BRASS (Railway Association of Canada): The railways have not prepared anything of a formal nature for submission to the board at this time, it being considered that at this session some indication would be given as to what could be contributed of a constructive nature.

We desire to assure the board of our earnest desire to co-operate in every way possible.

The relationship between the railways and their employees is of long standing, conditions of service and wages having been entered into in good faith by both sides in a spirit of mutual confidence and understanding.

Mr. HOLDEN: I have nothing to submit just now.

Mr. JOHN NOBLE (American Federation of Labor): I have not very much to say at this meeting, except that we will be associated with the Trades and Labour Congress of Canada in any brief they may prepare.

I do want to refer to the matter brought up by Mr. Best in regard to foreign-controlled unions. We have no such thing in Canada so far as I know. In every local union the democratic principles prevail, and things are done on the majority vote. No organization can go on strike without a two-thirds majority voting for it. So far as a minority group is concerned we have none of that.

I do not say it does not occur in other organizations, but in our organization and our affiliations with the A.F. of L. and the Trades and Labour Congress of Canada, it does not prevail, as the records will show. We will give every assistance to the board in this matter.

Mr. H. McD. SPARKS: I have nothing to add to what the Secretary of the Board of Trade has said. We have some suggestions to submit later.

Mr. TULLY: I would like to inquire whether it is the intention of the board to sit in the City of Ottawa only, or have you given consideration to sitting in any other centres?

The CHAIRMAN: We do not know yet just what we may do about that. It will depend on developments.

Mr. TULLY: I would like to suggest that you consider the city of Hamilton. It is very difficult for some of the men to get as far away as Ottawa, and Hamilton is an important industrial centre.

Mr. MAGNUS SINCLAIR (Street and Electric Railway Employees): I represent the electric railway organization, which includes bus and coach operation throughout Canada and the United States. We are an international union, and we are an old organization; it is over fifty years since we were organized in the United States. We are one of the largest organizations in the American Federation of Labor.

We have no strikes. We cannot put on a strike in our association because we have in our constitution a provision which requires that we shall arbitrate any dispute that arises between us and the company, and when a strike takes place in the amalgamated associations it is only because the company refuses to arbitrate. That is our law in the United States, and the law in Canada is the same. Here we use the conciliation board of the government.

I want to point this out so that anyone here before this honourable board will know the facts. I have heard some remarks directed towards the amalgamated associations about the strike that took place in Montreal, the tramways strike. That was not begun by my organization, nor did we take any part in the stoppage of transportation. We attempted to run cars and operate them through our membership, but we were attacked by the rough element and by the strikers who had put the illegal strike on, and our men were injured, so much so that some of them had to be taken to hospital.

We got no protection, although we asked for it. We asked the Minister of Labour and we asked the Prime Minister of this country for protection, saying that if we got it we would operate the street railways in Montreal. We got no response and we got no protection, either nationally or locally. The police were not protecting us in Montreal; they were protecting those on the other side, the illegal side that had put on the strike.

In Montreal our group for twenty-five years had had a contract constantly with the employing company, the Montreal Tramways Company, but a pirate organization, as I call it, came in overnight and by means of wild promises put our men on strike, or put the majority of the men on the Montreal Tramways on strike. Inasmuch as it was illegal, and was declared illegal by the Minister of Labour—

Mr. MOSHER: May I suggest that if Mr. Sinclair is going to discuss strikes, we will have to reply?

Mr. SINCLAIR: You sit down and shut up. I did not interrupt you when you started to talk, and you kept the floor long enough.

The government declared the strike was illegal, and yet failed to take action against the illegal factor of the strike. But the government did send down men who went over into the strikers' camp and made a ruling which threw our



agreement with the company, which was still in existence and valid, into the wastepaper basket. They gave complete and sole bargaining rights to the parties who came in overnight and disrupted our organization. That is what we had to suffer in Montreal as an international labour union.

We have to deal with the public. We are the men who transport men and women up and down to the factories and the plants and war industries everywhere. If you stop transportation you practically stop the war plants and industry. Whatever the weather was, we kept going, our sole purpose being to keep the wheels of transportation moving so far as our organization was concerned.

Let me say this to the gentlemen who have remarked about the international unions and said that in Canada they send their money into the United States. My organization has paid out more to Canadian members than Canadian members have ever paid into the international treasury. That we have proof of and can prove to any constituted tribunal or to any individual. Moreover, in addition to that there is not one cent of per capita gathered in Canada by my organization that ever goes into the United States. It is deposited in a bank in Windsor.

We have investments. We have a few million dollars in the treasury. I cannot say how much. Mr. Mosher would like to know that.

We have in the United States per individual member an investment with the government of the United States of \$11 per member. For our Canadian members we have invested in international funds and in bonds in the Dominion of Canada an amount per capita equal to \$33; that is, three times more per member than we have in investments in the United States. We have not neglected Canada in any way. Anyone who says these things to try and blacklist an international union, anyone who says we send our money to the States, is barking up the wrong tree. Most every international union has the same experience.

I am glad to say that we have not much jurisdictional trouble. Our trouble in Montreal recently has been about the only difficulty we have experienced in regard to dualism of the unions.

If you take hold of a fast moving street car or a fast moving bus crowded with people to the brim, and run that on fast schedule time through the crowded thoroughfares, you have a job that requires skill, judgment and alertness. I claim that our men are engaged in a highly skilled occupation, whether or not they are given skilled labourers' wages, because we are in the category more of common labour, and our wages have not gone up as they ought to have with everything going up as it is now. It is very hard to get an increase of wages in Canada.

The government promised us in the first order in council that came out, P.C. 7440, I think it was, a cost of living bonus. Labour men and women in Canada believed they would get the cost of living bonus because a ceiling had been put on wages. We thought we would surely get something to compensate for the increased cost of living, but when we found out about it we saw that it gave a loophole to the employer. He did not have to do it; it said he "may" pay it, and half the employers in this country did not pay it because they did not "may". That was the way they felt about it, and so we did not get it. Some paid only a third, or a half, some paid the full amount of \$4.25 a week, but they are more the exception than anything else.

If it was the law to put a ceiling on wages, why was not it the law to give us the equivalent in the cost of living bonus? They did not do it, and that is one place where labour has been sore ever since that order in council was promulgated back in 1940.

I apologize for taking up your time, and I hope I did not offend anyone, only the gentleman who rose.

Mr. R. H. BROWN (Printing Pressmen and Assistants): I have not much to add to what has been said. Our organization will be represented by the Trades and Labour Congress.

There is one point I think should be made about the foreign control of unions, and their being investigated. I do not think our international organizations would have objection to any investigation, provided that industry is also investigated.

So far as association with foreign controlled industry is concerned I think that labour must hold the balance in an investigation of any kind—

The CHAIRMAN: You are not suggesting sitting in Buffalo?

Mr. BROWN: I think we would in Buffalo find the headquarters represented here.

I would like to stress one point that Mr. Sinclair has made as to the unfairness and the inequality in the application of the cost of living bonus owing to the wording of the order in council. That, I believe, is one of the chief bones of contention, as one may say. While the wages are frozen or controlled, they are controlled in many cases at depression levels and then when the workers demand and are given a cost of living bonus the employers have not put it into effect. Some are paying \$4.25, some \$3.10, some \$2.50, some \$1.25, and some even as low as 60 cents, since the last mandatory order. That has been very unfair. It is not only unfair to employees in industry but it is unfair to their dependents. I think everyone should be in here battling along with the trade unions, to see that industry gets a fair cost of living bonus. If we are going to be saddled with a cost of living bonus for a man to obtain a fair livelihood and meet the necessities of living, it should be at least equal. I think that is one of the weaknesses in the order in council, in basing this cost of living bonus on what were depression wages.

The CHAIRMAN: I neglected to ask you, Mr. Sinclair, but I take it you will be co-operating with Trades and Labour Congress in their brief?

Mr. SINCLAIR: Yes, what they present is my view.

Mr. WILLIAM CRAIG (Machinists, C.P.R.): I think our case is pretty well taken care of in the presence of Mr. Best and his trade group, and we will also be represented by Mr. Bengough and the Trades and Labour Congress.

Certain statements have been made here, and there is one thing I would like to bring up to show that millions of dollars have been invested by the international organizations in dominion and provincial bonds. We have stock in this dominion as well as anybody else. There is only one objection I think we have, and that is as to the question of delays in this whole set-up. I represent 40,000 railway workers who have to adjust wage agreements in the dominion, and they are concerned with delays, not only with this National War Labour Board, but with the other boards. That is why we are here in an executive body.

Mr. C. S. JACKSON (Electrical Radio and Machine Workers): Mr. Mosher, representing the Canadian Congress of Labour, has well outlined our case to this board.

There is one problem that I think faces us to-day, namely, the adjustment of the earnings of the working people in a period of considerable international emergency, and a situation where wages are largely frozen and there is a continual rise in the cost of living. I think the various orders in council should be brought into some measure of conformity. The wages question cannot be discussed separately and aside from the cost of living bonus and taxation, and these cannot be argued as separate and aside from the profits of industry. Unless these factors are taken together, no solution will be found to any wage problem, and we shall not be finding a solution to the basic problem.



I believe there has been an expression here of the need for uniformity, and the need of a very deep-going analysis, not only of legislation that is on the books at the present time, but of some of the problems of the present economy.

At this time the question of bargaining and the question of wages takes a new significance, and it is becoming a little more recognized as a fundamental problem. It is recognized that the wage problem cannot be separated from the problem of securing maximum production in our country. The wages for the worker are the main incentive, along with the patriotic enthusiasm, and if we are to view the problem in terms of maximum production we must consider the question of wages in terms of its relation to production.

I think that is essential not only in time of war, but also in the post-war period. I see some reflections of it to-day in statements from the manufacturers. We are contemplating some degree of maximum production in peace time, possibly to a greater degree in peace time, and therefore a proper evaluation of the wages question to-day will be a factor in helping to solve the problem in the post-war period.

I would therefore suggest that consideration of these problems be one of the main points concentrated upon by the board. Our organization, along with the Canadian Congress of Labour, will be prepared to submit particulars in support of our organizations.

I believe that in this regard, in any inquiry into and discussion of wages, prices and profits, our international organization has something to contribute to your studies, in view of the fact that in the United States at the present time our organization is able to substantially assist in making an analysis of these things before the government boards in that country.

I support very strongly the suggestion made here that members of organized labour should find a place in the many war boards in this country. As they are at present constituted, particularly those in Munitions and Supply, there is no representation in the broad sense of the word for the working man, and the result is that decisions are made for the hour or for the group; rules are made regulating quantities, etc., for the workers, and their view is entirely eliminated from the picture. How are we going to have any real production if we do not have the maximum integration of activity both of the working people and of their employers? The best place to have that brought into the picture would be by direct representation of the workers on the boards which decide these broad international questions.

(Adjournment until 2.30 p.m.)

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Pursuant to adjournment the hearing was resumed at 2.30 p.m.

The CHAIRMAN: I believe, Mr. Claxton, that you are here on behalf of the Canadian Chamber of Commerce.

Mr. BROOKE CLAXTON, M.P.: The Canadian Chamber of Commerce asked me to come here to-day and to say that, like every other organization, it welcomes this inquiry as a very constructive move, and I understand that the Chamber will be very glad to avail itself of the opportunity of presenting a brief at such a date as the board fixes.

The Chairman indicated that this hearing to-day was of a preliminary character for the purpose of receiving suggestions on the subjects of procedure and times of the inquiry. If I may make one or two suggestions along that line, I hope they will be entertained by the board.

In addition to those mentioned by the Chairman as subjects for discussion, I think it is plain from the remarks made this morning that there should be one more, that of collective bargaining and its place in the exceptional conditions of labour relations which have developed in recent months.

Some machinery for changing the existing arrangement if a contract or agreement becomes out of date should be provided under which the contract could be reviewed. If that were done, some difficulties might be avoided. The circumstances which would permit a contract to be reviewed would have to be carefully defined.

The machinery for anticipating and preventing disputes is a subject which has been touched on by several speakers, and the finding of machinery for terminating disputes.

As to the second group of subjects indicated by the Chairman, I have nothing to suggest; I think they cover the subject exceedingly well.

I have this idea to put forward. It would be a very great convenience to the board, as well as to those who are appearing before it, if they kept to the order followed by the Chairman. The matters under review would be best taken up one step at a time, and the route of orderly discussion followed.

With regard to the time, I have this in mind, that the inquiry should be proceeded with at the earliest possible moment and pushed on to a report and a conclusion as fast as the board can do it, consistently with giving full justice to a very important subject.

As one vitally interested in and concerned with this question I hope I shall be voicing the views of most of those present when I say that this board gives to all of us a chance to step back and look at the whole question of labour relations and improved production. Everyone who has spoken has regarded it as a great opportunity. I do hope that nothing will happen to prevent that opportunity being fully used. It would be little short of a national tragedy if during the time this board is deliberating some disturbance should occur which, had it been postponed for two or three weeks, might have been made unnecessary by the development of machinery resulting from the deliberations of this board. I hope none of us will do anything to jeopardize this opportunity to arrive at a solution of our labour difficulties; and let us get on with the war from all sides.

MR. R. P. SPARKS: May I ask if it will be permissible for individuals who do not represent any particular organization to present briefs or submissions? There are those who might feel that they represent the consumer. After all, the wages of labour and the profit of manufacture have something to do with the consumer. I have not in mind any argumentative brief, but rather a statistical statement as representing the position of those in between. I thought there might be somebody here representing that point of view. I do not represent anybody but myself, but I know there are a number of individuals and corporations who have an interest as consumers in this matter. I wish to ask whether it will be permissible to submit a brief?

THE CHAIRMAN: Not only permissible but welcome.

MR. J. B. WARD (Standard Railway Labour Organizations): I did not get an opportunity to talk with Mr. Best following lunch, but there are one or two observations I should make at this time, if I may.

At the outset I wish to say I was not here at the beginning of the meeting this morning, and I have no knowledge as to how it was opened or what you asked for. During the course of this morning, however, Mr. Best made the statement that it was anticipated I would have something to say.

I join with Mr. Claxton in saying we are all much pleased that the government has at last taken steps—I believe on your own recommendation—to see that an investigation is to be held with respect to these and other matters of importance.

I noticed this morning that some of those who had something to say suggested that briefs may be prepared and submitted to your board governing certain demands. That may be necessary to some extent, because one cannot



make these things up in a few hours, though I think we should keep in mind the fact that the longer period consumed in receiving the briefs and statements from the various interests will naturally mean that more time will elapse before you can make a report. Then there is the possibility of danger that while somebody is fiddling the house may burn down. I am sure none of us want anything like that.

May I observe also that it is my unfortunate duty to attempt to speak for what we people believe to be about 140,000 railway workers, members of the eighteen standard international railway labour organizations, and we have been considered, rightly or wrongly, as being too conservative.

I was amazed this morning when I heard someone make some reference to the domination of foreign unions in this country. I wish to subscribe to what was said by Mr. Best and, I think Mr. Sinclair, that so far as any of these organizations I have the honour to represent are concerned, there is absolutely no domination, and we have positive and absolute autonomy to work out our own salvation in the affairs of this country. Each of these organizations has what we have, a resident officer in Canada.

We do not like this particular reference to our being dominated from anywhere else.

There is one other word. It has been stated that the money collected from our members in Canada, members of these international organizations, is sent out of the dominion. It has already been said by several of the speakers this morning that that is absolutely untrue. To my personal knowledge there are millions of dollars of the reserves of the insurance department of these various organizations that are invested in dominion and provincial securities in this country. In the third victory loan, which is not long past, one of the organizations I am associated with bought no less than \$300,000 of bonds.

I repeat that millions and millions of dollars are invested here, and, as was pointed out by Mr. Sinclair, there is more money invested in the Dominion of Canada securities than ever was put in by Canadian members on this side of the international line.

May I also take this opportunity to draw to the attention of the members of the board the fact that we, these eighteen international organizations, were used, we believe, as the guinea pig, to see how this policy of the cost of living bonus and earnings would work out. In November, 1940, the general executive officers of this larger running trades group were called into Ottawa to consult with Dr. Stewart, then Deputy Minister of Labour; the proposed policy was outlined to us, and we were asked whether or not we could go along with it. We explained to the deputy minister, and in turn no doubt, he explained to the minister, that we were without authority to commit our membership except when we followed the constitutional laws of our various organizations. We undertook to do this, and we had an answer back in thirty days. In the meantime the government passed P.C. 7440. Our understanding was that the bonus would be paid on a flat rate to everyone regardless of what their income would be, but we have since learned that that has not been carried out.

We, the eighteen organizations, immediately proceeded to our employers, the Canadian National and the Canadian Pacific Railways, and we think we were the first large group that undertook to have this thing made effective. But the employers declined. We came back to the minister and said, "Here is the policy you asked us to subscribe to. We acquiesced; now what are you going to do about it?" Nothing was done, so then we saw certain members of the cabinet who undertook to speak to the Prime Minister. We said, "If you are sincere in your policy, why do you not put it into effect on your own property, the Canadian National Railway?" At that time the suspicion arose in the minds of the employees as to whether or not the order, or the policy, was not just window dressing or what have you.

Previous to the order it was explained to us by the representative of the government, Dr. Stewart, that wages would be frozen at the 1926 to 1929 standard; the same cost of living would be paid to everyone, and where sub-normal rates of pay prevailed they could be taken care of by mutual agreement.

In due time we reached an agreement with the railways, and in due time we learned that in some other industries rates of pay had been increased. We were very glad, of course, that these workers were getting an increase in rates, but that was not in keeping with what we understood to be the provisions of the order. It was a further indication of the saying, "The squeaking wheel is the one that gets the grease." That has been apparent time and time again.

Now with respect to labour and industry, and so far as the railways are concerned, we their representatives are sure we are just sitting on the lid. Why is that the condition? Because the men are disturbed by the fact that the policy of the government, as they understand it, is not being enforced.

Some of the things that are causing dissatisfaction are these. It is alleged that the cost of living index figures compiled by the dominion bureau of statistics do not reflect the actual prices to the retail purchaser. I do not believe that can be successfully challenged.

They say also that the subsidies being paid in certain quarters are such that those who profit directly are making a profit out of line with the sacrifices the working men are expected to make. We do not know, but they are concerned about that, and if it is true, then the working men have a real grievance.

It is further alleged that the tremendous amount of money being paid in subsidies is done to keep the cost of living index figures at a low level. Some people go so far as to say that.

Experience proves that where you have a hundred thousand men you are going to have a great many opinions. These are things which in the opinion of those of us who are charged with the responsibility of representing these men should be cleared up, and we think you can do that. We think you have the facilities at hand for clearing up that point.

We know, at least we think we know, how the cost of living index is arrived at. I believe the figures have improved considerably during the last five or six years as compared with what they were before. I have some knowledge as to how they were gathered years ago.

One of my men in Winnipeg said to me not long ago, "The cost of sirloin beef, according to the dominion bureau of statistics, is so many cents a pound." I said, "Yes, I believe that to be true." "Do you know how they get that?" "No." "I'll tell you how they get it. My wife found out about it. She went into the butcher's shop and wanted a sirloin steak." It was so much money—away beyond the index figure as shown for Winnipeg in the cost of living bonus. The husband went back to the butcher and said, "How come; the index shows so much," and the butcher said, "Don't you understand that there are eight different slices; every slice has to be two cents higher than the other, and the index figure shows the minimum charge?" I do not know whether that is true or not, but that is the way it was related to me. If that is what we have been subjected to in the present situation, what are they going to do to us when they get into rationing the meat?

These are things you might be able to throw some light on.

There is another allegation—that the government has increased taxation to meet the cost of subsidies, and these taxes are increased for the express purpose of preventing the workers from obtaining the bonus to properly meet the increased cost of necessities.

That is something else which confronts the members of parliament who have the responsibility—not speaking of anyone who is present, but I happen to live in his constituency—for seeing that the working man, that is the man who labours actually, not in a steam-heated office, such as you and I and a lot



of other people, possibly most of those who are in this room, but the fellow who does the physical part of the job, who is not represented and has no one to speak for him on this variety of boards and commissions that are set up to determine what will apply to him—for seeing that he is given a fair deal.

As an illustration, let me refer to one aspect of the rationing of tea, coffee and sugar as it affects many of our employees. There are thousands of men who do not do all their labouring within the confines of the city of Montreal or any other city in which they may live. This also applies to men who do live in the city but who have to carry lunches—in the common phrase of the railroad, a “nose bag”; but call it what you like, the lady of the house has to put up a lunch when he goes to work. We in the running trades have thousands of men who leave home this morning and do not come back until the day after to-morrow. In the meantime they have to take care of their meals by means of a lunch, and possibly they are out on the road where no eating facilities are available for the men. How does the rationing of tea, coffee and sugar affect those who live at home as compared with men who are in that position? It just will not work out. The man in the train service who works on the grave yard shift, 12 to 8, or through the night—what happens to his family? There are three meals to eat at home at the usual meal time, and when he goes to work there is another meal. Do you expect, or how can it be expected by those in authority, that a man in that sort of position can get along with the ration?

Let me show you what reply is received when men in that category ask for special consideration. They are told, if you please, by the authorities of the government: “When a man goes out on the railroad he does not need tea or coffee; he can have a little can of soup or a little tin of corn syrup.” I do not know where you will get the corn syrup, but in any event that is the official reply given by the authorities dealing with rationing. I suggest, and I do this in the most kindly terms, that the person to decide that is the man who is meeting those conditions, not the man who is no farther than ten feet away from a steam radiator all winter long. Men who go out and face the storm must have something besides the ordinary everyday three meals a day, tea, coffee and sugar ration.

I simply cite that to you as an indication of the treatment sometimes meted out to people who think they have a legitimate claim for special consideration.

I have talked longer than I had any intention of doing, but these men that I have the honour of speaking for, as I have told you, and I repeat in all sincerity, are sitting on the lid because of the dissatisfaction throughout the land with the treatment they are getting from the government agencies.

May I add this further remark, that there are comparatively few men who understand the problems of labour as well as the man who actually does the work, and if ever there was a time that the government of the nation needed the co-operation of those people it seems to be now. The government should try to get the co-operation of the working man on all these boards in order to satisfy them that they are honestly trying to understand the problems which are facing us.

Let me conclude by saying this, as I said in the beginning of my remarks: an investigation by some competent authority is long overdue. There is a war to win, and we all think we are doing what we can; but we can do more, and we think the government can do more by at least co-operating with us and keeping the men at work confident that they are not being sidetracked or short-changed in any way. I never was a politician, but it seems to me that if I were, that would be one of the things I would have in mind if I wished to be perpetuated in political life.

If it is the wish of the board that this body for whom I am attempting to say a few words present a brief, I am sure we shall be glad to submit it.

Again I warn you, do not delay too long, because the house may take fire.

The CHAIRMAN: Is Miss Lee here now? (No answer.)

Mr. J. C. ADAMS (Central Ontario Industrial Relations Institute): I should like to be very brief on this occasion, with the hope that I may be permitted to address the board at greater length on some other occasion.

I should like, however, to make one suggestion at this time. It seems to have been suggested here this morning that you are going to receive very interesting briefs from many organizations on a great variety of subjects. It would seem to me that this inquiry is likely to be prolonged over some considerable time unless we can think of some way of directing our attention to the more immediate problems.

With that in mind, without at all attempting to suggest that the discussion should be shut off on any particular item, it would seem to me that the board would be justified, after hearing from those present to-day, in preparing a short statement indicating what, in your opinion, are the subjects to which we should address ourselves from the beginning. It would be understood, of course, that anyone might go off the track if he wanted to, but for my part I should like to direct my thinking to the problems that you on the board feel are the most urgent, in the hope that in this way we can be of some practical assistance.

For my part I am quite prepared to put myself in the hands of the board as to the time when you will resume your hearing, the time you would like to have the briefs presented, and the order in which you want the various matters dealt with.

If you find any merit in my suggestion that if possible you indicate to us some sort of agenda, what points you think should be dealt with most urgently, we can then attend to them. I think perhaps all of us might be able to assist you in that way to a greater extent than if we continued to press individual findings on you from all angles and dealing with all sorts of subjects. It may be you will feel that that would in some way limit the scope of the inquiry. If so I suggest you might divide it into two parts, indicating first what you would like to deal with immediately, and perhaps at your leisure—if there is such a thing for a labour board—you might go into other matters later. It is only a suggestion I put forward for consideration, and I shall be happy to co-operate in any way whether you adopt it or not.

I do not think I can add anything to the discussion, and I do not want to express any views at this time. We shall be glad to present a brief on behalf of our organization just as soon as it meets the convenience of the Board.

Mr. ARTHUR MARTEL (Carpenters and Joiners): I am representing the carpenters' union, the carpenters and joiners of America. I have forty-two years' experience in dealing with the carpenters. The carpenters are part of the human family, and I assume the other workers look at the situation from the same point of view as they do.

Our dissatisfaction at this time is that the machinery set up by the government is not functioning fast enough. It is the modern practice to set up all kinds of machinery. Some of it is paid for and we get fair service; others are not paid, and naturally in these times everything must be paid for if we want to get results. Therefore we have in the province of Quebec—I am not so familiar with what is going on in other provinces—a regional war labour board to which are referred our grievances or suggestions for meeting the conditions. There was a time during the last year when they had sixty-three cases before them. That is almost as bad as some courts with automobile accidents; you die before you get a judgment.

In one instance it took seven months to get a decision; nothing constructive came out of this delay except dissatisfaction, and the working people have lost confidence.



Their understanding of these regional war labour boards is that generally they appoint the Minister of Labour and the Minister of Labour in Quebec is a very busy man, so busy that he cannot attend to these matters. Of course he has his deputy minister, but seeing that the minister did not do all his work he is awfully pushed and the result is that when he has spare time he calls the board together. He is very busy; he has no spare time, so that the thing cracks up. Therefore during all this time the French Canadians are very much dissatisfied. I do not blame them too much. The machinery set up by the government is not good. What is needed by the working people is something direct, something quick, no delay. There is no use in trying to get the working people to forget what is wrong. We are only creating dissatisfaction all round. If we were creating satisfaction it is possible that to a certain degree you would get more patriotic, but the man who is dissatisfied is not overburdened with patriotism.

We therefore think it is best to speed up the machinery, and if there is some machinery that is of no use, do away with it. We do not want diplomacy; we want an English yes or no. We have been accustomed to that, and I think if there were more of it the results would be much better.

It is only with any question of labour that you see this delay we are seeing. When huge sites are being bought, miles and miles square, there is no strike and there is no investigation; it is done overnight, and I suppose because no one hears about it there is no trouble. When it comes to paying millions there is no trouble. If they are buying lumber, whether it is green, dry or rotten, there is no trouble. If it is \$45,000 you pay \$45,000; if it is \$50,000 you pay \$50,000; if it is \$65,000 you pay \$65,000, and if it is \$90,000 you pay \$90,000. There is no strike and no trouble, but when it comes to labour everyone is on their ear; and then you must go through this dying process starting at one end, and if you live long enough you get to the other. If there is something really serious with labour you come to Ottawa and meet Mr. King, the Prime Minister. I would not like to impose the very disagreeable mission on you of going the rounds when you found out that you had to do that in order to get nothing.

I think labour is being very reasonable. I do not like to interfere with other people but you take the carpenters. I think we have done a job all over this country. Whether they are good or bad carpenters, they are carpenters anyway. We did not tie up anything; there were no strikes or trouble; whatever it was we took our medicine like good little boys. We are not satisfied, but we pledged to the government that there would be no tie-up during the war. Under these circumstances, seeing that we are co-operating with the country and that we have pledged the government our support, at least they should try to give us something as a sample of fairness. It is a very queer situation—I am referring to what is generally termed a labour representative—when we try to pacify our membership they come back at us and say “What is the matter with you, Martel? Did you sell out to the government?” You see the situation. They do not like to take anything for granted and are beginning to look around to see what is the matter.

From my point of view the situation is a serious one with regard to labour relations. There is a very grave situation going around the country. Last year and the year before it was not so bad, but it is getting worse and the outlook is none too encouraging at the present time. I hope the outlook will be adjusted. I think we are all running on high, and if we run very long it may be hard to control.

The CHAIRMAN: Is Mr. Crampton here? (No answer.)

Mr. D. MITCHELL (Ind. Union, Greening Wire Employees): I may say that I only wish to reiterate some of the things that have already been stated here. We intend to present a brief along with the others at the time set by the

board. I wish to have that on record here so that we will be known. We will be here at that time.

There is nothing more I have to say. We will cover the points in our briefs.

Mr. A. J. HILLS (Construction Industry): I have nothing to say at the moment. I am observing the set-up and taking notes of the subjects to be discussed.

Mr. T. R. McLAGAN (Employers Quebec Shipyards): At the outset I would like to say on behalf of the organizations I represent, the shipbuilders of Quebec and the three aircraft companies, that we view with the greatest of admiration the way in which the working peoples of our companies have produced the ships and aeroplanes since the beginning of the war. We have had disputes but we are proud of the way in which everyone has conducted himself. I do not see how we could help having disputes with such a large number of people new to the industry, but we do view with alarm some of the unsettled conditions that have come about in the last few weeks.

We do not share the view that the cause of the unrest is the lack of compulsory collective bargaining, or the closed shop, or company unions. We believe that the unrest is caused by the discrepancy in wage rates and working regulations and conditions which exist in companies in similar industries in some other locality and some of a similar nature in the same locality. In most cases the disputes which have come to our notice are with the wage laws, and not necessarily with the policy of the management. We feel that this inquiry is coming along at a very opportune time. The management and workers in the shipbuilding industry are engaged now on a very important escort building program, and they think that conditions which are causing unrest should be eliminated as quickly as possible.

We believe the board should encourage employers in the same locality and industry to group together and tackle this problem collectively in the same way that labour itself is handling it. It has been a success in all three aircraft firms, the Noorduyn, the Fairchild and the Vickers, where we deal with all labour questions as one union, and we think this success is an example to the rest of Canada. That union has been very co-operative and progressive, and as I say I think possibly an example which other people can follow.

We are ready to present a brief to you in the shortest possible time. If possible we would like to meet you as a group. We agree entirely with the views expressed here about the decision in the cost of living bonus. We do not understand how that came about, but we think if it is wrong it should be corrected. Speaking of Quebec, which as I remember has received the most unfavourable comment, as a citizen I recommend that this board ask the Quebec and other boards for their suggestions as to how to improve the administration. I believe you will be surprised at the constructive suggestions you would receive from those who serve on those boards. They are doing so as citizens, and I can assure Mr. Martel we have more than sixty cases, in fact there is not a day that we do not settle more than seventy-five cases. I do suggest to you that you invite the boards to give their suggestions as to how that work can be improved, as I think it can be.

Mr. R. H. GALE (Canadian Car and Foundry): I was here primarily to listen to what has been said. I was asked by my executive to express their appreciation of the formation of this committee and to pledge our complete and absolute co-operation. We will submit a brief as and when the board sees fit to call for it.

Mr. W. H. C. LOGAN (No. 2 Machinists, C.N.R.): I am from Winnipeg and president of the machinists' district, which is one of the eighteen standard



railway organizations referred to by Mr. Ward. We have a membership of almost 600,000 between the United States and Canada. I am speaking as president of machinists' district No. 2. We meet from time to time as a board and decide our course in the interests of those we represent. I happen to hold the unique position of joint chairman, and from time to time act as buffer beam between the management and employees. At times, of course, I do work in the shop and thereby I am enabled to get a close viewpoint of the thoughts of these men who are working from day to day.

It has been pointed out here by the representative of the railway association that we have had a contract for some thirty odd years and that everything is running along very smoothly. I want to say that that is not so at the present time. The machinists are holding a unique position in the war. A man who has perhaps to do work to a very accurate dimension, commonly called an exact fit, is working under a very high strain. We are hearing much about absenteeism. You will appreciate the fact that when these men are confined to work of close fits, following a machine very closely, it is essential for the maintenance of this work that he get what is known as a holiday. The group which I represent has been endeavouring for the last eight months, approximately, to get a decision on that important question. This, along with some of the other matters that have been referred to, is bringing about, as my colleague has stated, the saturation point so that the lid may blow off at any moment. We are not desirous of that.

It has been pointed out that at the beginning of the war an assurance was made that organized labour would co-operate with the government and management to keep the wheels of industry rolling. Those who made that promise wanted to see it fulfilled to the letter, but they are saying we are not getting the return we should expect. I have no desire to reiterate the remarks which have been made, but I wish to place before the board on behalf of the machinists of the railway group their viewpoint.

The CHAIRMAN: Miss Reid, did you have anything to say?

Miss MARGARET REID (Wartime Prices and Trade Board): No, not now.

Mr. TIM BUCK (Dominion Communist-Labour Total War Committee): I would like to add my views to those who have expressed appreciation of the Board in calling this inquiry. There is no doubt it can contribute tremendously, not only to better industrial relations for the purpose of strengthening Canada's effort for winning the war, but to the establishment of a permanent labour code which will remain in effect and operation after the war and give the labour movement something that is long overdue—a clear definition of its rights, and the machinery and methods of procedure by which those rights can be exercised.

I would like to add my voice to the warning expressed by Mr. Ward and several other speakers concerning the danger of delay. The reason why I think it is necessary to emphasize this is that one or two proposals have been made that the sittings should start about June, or something like that. In my opinion there is a dangerous underestimation of the growing impatience of the working people in the shops and factories. Tens of thousands of working people are beginning to feel that their organizations are letting them down, and the leadership of the organizations are beginning to feel that the government is making them buffers. There is a growing feeling in general that labour is being made the goat. There is a possibility that that feeling may result in some interruption in production taking place, if the gentleman who spoke for the chamber of commerce was justified, as I think he was, in warning against the danger.

I would emphasize to this Board that I think the representatives of labour are also justified in urging that the inquiry be carried through without delay, because there is not very much time. It has been remarked that the officials of the labour movement are literally sitting on the lid, and they were not

exaggerating. From this point of view it is necessary that the representatives of the labour movement should agree that in this discussion of the procedure to be followed by the Board there should not be too much insistence that the Board cross the "t's" and dot all the "i's".

Some of the things which have been proposed are the traditional demands of the trades union movement, which I and everyone of you feel have to be gained, but which are matters that tend to narrow the scope of the inquiry if they are made the central issues.

In my opinion it is to the interest of Canada and the labour movement that what should accrue from the inquiry, the results which we should expect from it, should be freed as far as possible from ambiguity.

It takes only a cursory study of labour legislation in England and the United States to show that it is legislation which must be subject to continual amendment.

I think we of the labour movement have less to gain by fighting some special point than we have by fighting for a unified labour code and legislation which guarantees the fundamental rights of the labour movement, and provides the machinery and method of procedure which enables the labour movement to use and exercise those rights without fear of discrimination and without having to resort to strike action.

That is a big order, it is true, but I believe everybody will agree that is what we will have to try and get out of this inquiry. I am confident that if the inquiry is to be justified the first thing to do is to tackle the anomalies in the present labour situation, and the methods of the Department of Labour in handling the situation. I think that all proposals that come out of the inquiry must meet the policy of direction that exists to-day between the declared rights of labour as stated in P.C. 7440 and the method of procedure by which the exercise of those rights is provided for. It is obstructed to such an extent that, as Mr. Martel pointed out, if you live long enough you come to the end and find yourself in the same place as you started from.

The arbitration of strikes is getting nothing, and that is no exaggeration. The strike at Kirkland Lake is an example. They had a board of conciliation composed of men highly respected for their standing, and the employers rejected the recommendation. Nothing was done about that.

Those organizations which are striving to live up to the conditions prescribed by the government are penalized. I refer to the example of the aircraft lodges and the machinists Lodge 712. They put in an application for a cost of living bonus more than a year ago. The present board has granted that, and for that I think the board is to be congratulated. A company union in another aircraft plant put in an application at the same time, and the company union got its bonus within a week, but Lodge 712 had to wait a year and it was not made retroactive.

This does not encourage confidence on the part of the working people in the procedure prescribed by the Labour Department at the present time. One can mention a dozen examples of the same kind. In my opinion this Board must abolish that anomaly as well as the delay that was emphasized so thoroughly by Mr. Martel.

I would like to suggest also, from the point of view of the proposed qualifying procedure which is to be followed, that perhaps you would consider this idea. I am sure that everybody in the room agrees with the proposals made by the Chairman this morning, with the addition of the proposition made by Mr. Bengough concerning labour representation on government boards. If the members of the Board could sit in a round-table conference to-day with the representatives of labour, and hear of the things that are pressing upon responsible leadership of the trade union movement, they should be able to bring in to-morrow a definite series of propositions for the prosecution of the



inquiry, the topics to be discussed without limiting the breadth of the discussion, the time to start and the methods of procedure, so that to-morrow the discussion could be very largely devoted to mastering the details of how the inquiry is to be carried out, and, to the extent that it is possible, informing those who are going to read briefs of the main questions that need to be dealt with and emphasized. I make this suggestion with all modesty, Mr. Chairman, and I think it would be worth while. In the labour movement there is a tendency to work empirically, and a little guidance would help to make the inquiry not only more orderly, but I am sure, more effective.

I say this because I think it should be emphasized that those of us who will try to put forward the point of view of labour should realize that this inquiry is a challenge as well as an opportunity. It will be absolutely necessary for those of us who will appear to put forward the views of labour, to show absolutely without fear of contradiction the need for completely revamped Canadian labour legislation, and a new labour code. Unless we can show that, we may be in the position of having to complain that the inquiry did not produce what was necessary; but if we show that then I think we shall justify our claim which is well based on history.

The labour legislation along the lines of the proposals should flow from this inquiry should not be limited to proposals for the duration of the war, but must be of a permanent character, and furthermore must be legislation based upon meeting the needs of the labour movement. I say this without any desire of entering into and traversing the discussion here to-day, but in view of the fact that the question has been raised as to which are the interested parties and which are the organizations that must receive consideration in this inquiry.

I think it is important that we should recognize the fact that the legislation that will accrue from this inquiry should meet the needs of the labour movement as a whole, or the hearings will not be a success. To be effective and worth while it will have to be legislation that must meet the needs of the trade union movement that is growing in Canada. There is the question of company unions, and whether or not the Board may see fit to propose legislation outlawing company unions, the legislation that is required and the machinery that is required is legislation and machinery for all the associated unions of the international and national unions.

I want to emphasize here one point which directly will belong to the inquiry alone, and that is the dangerous anomaly of excluding the most needy sections of the workers from the operation of the cost of living bonus.

Several speakers have referred to the cost of living bonus, and the fact that when it was first announced it was declared that it would apply to all workers; and then when the wages and price freezing legislation and Order in Council was announced it was declared that it should apply only to those who had cost of living bonus paid up to that date. There are about three-quarters of a million workers in industry earning less than \$20 a week, and they are excluded for the greater part from the cost of living bonus. It seems to me that is one question that enters into the brief.

How is the Board to approach the question of wages? It was mentioned by Mr. Jackson this morning that you cannot deal with the question of wages to-day without dealing with the question of the cost of living bonus and taxation. I think also you cannot consider the question of a cost of living bonus except on the basis of its universal application to every worker. I believe that should be emphasized and there should be no danger of its being overlooked.

In conclusion I would like to urge on behalf of the organization I represent that in view of the difficulty met with in the labour movement in preparing material, it would be feasible that the Board should prepare a brief analysis, not necessarily so elaborate as was suggested this morning, not an entire history

of the granting of cost of living bonus, but a brief analysis of the most important decisions that have affected labour in the last two or three years, particularly of the most important Orders in Council, and of the method by which questions of wage adjustment and questions of cost of living bonus are settled at the present time.

Another matter which I think is important and requires consideration is that we have heard from a member of the Quebec regional war labour board this afternoon that they have seventy or more cases every day. Can you imagine a worse situation in which working people, whose wages in many cases are subnormal, have to submit their requests to a regional war labour board which has that many cases before it, and which may not be reached until months after they are brought in? Then when the decision is given it may not be satisfactory, and they can appeal to the national war labour board.

There is another matter on which I think the Board might prepare a brief, and that is the method by which the cost of living index is arrived at, to which groups of workers the cost of living bonus applies to-day, and the sections of workers who are excluded from the full cost of living bonus.

Finally I want to repeat that in my humble opinion the need for this inquiry is now, and the Board should start work as soon as possible, not later than the first or second week in May.

I personally endorse fully the proposals suggested by the Chairman this morning, and I say that through its leadership the Board has given to the labour movement for the first time in many years a chance to bring forward constructive guidance that should be significant in the history of the labour movement in the Dominion of Canada.

Mr. S. LYONS: There is not very much for me to say, Mr. Chairman. I was not here this morning, so that I did not hear your opening remarks, but from the tone of the speakers with whom I am closely associated I take it we are pleased to endorse them.

There are a few remarks I would like to make about the subjects that have been covered, in particular the contention about craft unions. This is to my mind a very illogical position to take. The craft unions are to the tradesmen what the professional associations are to the professional men. I wonder if you gentlemen, who I take it all belong to the legal profession, would like it if the members of the medical profession laid down your working conditions.

The craft unions have been the forerunners of trade union movement in this country, have been serving a good purpose, and have very little to be ashamed of in their accomplishments and little to apologize for in their co-operation in the war effort. We have no outside capital and no outside influences. As has been so ably stated by former speakers, our organization in Canada is entirely self-controlled in Canada. Our most bitter struggles are with employers whose capital is not controlled in Canada.

We have frequent experience of men who have been living in the land to the south of us who have caused trouble with the unions there, and they are certainly making plenty of it for us here.

I think that something might be done—I am speaking now more to the labour groups in Canada than to your Board; I realize the responsibility should not be put on you—about the publications which get about, some of which are of the most provoking nature. It is bad enough when mud slinging is indulged in by the organizations themselves, but when we find that some of the most uncalled for criticism comes from publications that are financed by companies who are contracting for war supplies from the Department of Labour, I think that is something which should not be allowed to continue. When we learn still further that some of the most provoking and unfounded attacks in the editorial columns are written by employers of labour, particularly those who are supposed to be promoting good labour relations, it is inexcusable.



Now, there is not very much that I can say other than this, and it goes back somewhat to that question whether we should all be affiliated with the labour groups or not. I maintain that one of the greatest advantages that has come to the leading countries has been the sympathy which we have won from our republican friends to the south of us. The labour groups in the United States are wholeheartedly behind the lease-lend bill, and everything that has led up to closer relations between Canada, the United States and Great Britain, and later on, I might add, closer relations with Russia.

I believe that our association with labour there is one of the most helpful factors in promoting unanimity in these three great democratic countries, so I hope that we will not only accept the benefits, but that we will encourage a closer relationship, which I am sure, and know from my contact with fellow workers from the south, is the dominating spirit with the workers in the United States, and I hope that will always continue.

Mr. G. PICARD (Canadian and Catholic Confederation of Labour): I appreciate this opportunity of making a preliminary statement on behalf of the organization I have the honour to represent, the Canadian and Catholic Federation of Labour. I would like to express the regrets of our general chairman that on account of illness he was unable to get here this morning. He asked me to mention that point because he would have liked to be here for the opening of the inquiry.

We appreciate that the Board is assuming a great responsibility in conducting this inquiry at the present time.

We will submit later, perhaps by the end of the present month if that will not be too late, a brief on behalf of our organization, dealing with matters falling within the scope of the inquiry, such as wages, the cost of living bonus, industrial relations, closed shops, strikes, and so on.

Referring to strikes I would like to observe that this morning I was not very much surprised to hear the Quebec federation dealing with the Montreal Tramways strike case. I was, however, a little more surprised to hear them dealing with the Arvida case. Were they just trying to do the same thing there as they did in Montreal? I think we might mention that point.

We hope that the conclusions of the inquiry, with which we will all co-operate, will be really good ones for the labour groups in Canada, and that we will reach a Canadian solution to our Canadian problems. We have noticed, especially with the labour groups and employers' associations coming before the select committee on collective bargaining in Toronto, that generally when the labour groups were suggesting some point, the employers association were dealing with those matters referred to in British legislation. We think that if we use all these experiences in the United States and Great Britain we may find out here in Canada some Canadian solutions to our problems.

We will submit a brief to your Board in a few weeks. Now, I think for the benefit of the French speaking people I may say a few words in French, so that they may realize that the two groups would like to co-operate.

(Speaks briefly in French.)

The CHAIRMAN: Are there any others whose names I have not been given who represent organizations and would like to be heard?

Alderman SALSBERG (Toronto): In the name of the municipality of Toronto, of the city government of which I have the privilege to be one of the members, I want to say that the problem your Board is now facing is far more than a problem that is confronting organized labour. Yesterday and to-day I had the opportunity of being in Ottawa with the members of the Board of Control of the city of Toronto and we discussed most of the subjects you are enumerating to-day from the angle of civic government and municipal interest.

It is regrettable that the other members cannot be here. Controller Saunders had every intention of appearing and speaking. I therefore express my opinion and also the opinion of the delegation.

Personally I have spent many years in the labour movement and can see that the subject matter you are placing before the country should be treated with expedition and with all the seriousness that can be mustered by every section of the population.

As one belonging to the labour movement I know that many of the strikes in war industry have been caused by the absence of a better relationship in negotiations to settle differences between labour and management. I do not want to pretend to appear with specific instances but I believe the labour movement could cite many such examples.

I may say that we in Toronto were concerned recently with what appeared to be a crisis between the Toronto Tramway Association and the union of street railway men, and that was settled because of the very fine understanding between the union and the company. I shudder to think what would have happened to our city if they had been forced into a position similar to that which developed in Montreal. I believe that would have been the consequence if there had not been in existence for a number of years machinery established to settle such grievances.

The strikes that have taken place recently, I think, have had at least one positive value in that they have fixed public attention on long standing anomalies in our labour or industrial relations in the country, and the need to provide adequate machinery for solving these problems, whether they be wage questions, or questions of collective bargaining.

You will be making a contribution of tremendous value to the war effort and to post-war relations if your Board will, as the result of the critical situation caused by the war, provide machinery for solving labour and management problems. But there is another angle. That very question concerning labour and management is also a question that concerns the community as a whole and it cannot be viewed as a narrow conflict between a certain number of people directly involved, either employers or a group of employees. It is not merely those who receive insufficient wages who suffer; the whole community suffers too.

In Toronto, and I am sure the same is true of other municipalities, there are men working for sub-standard wages who have families to maintain and have to live at starvation levels because their wages are frozen as the result of the interpretation of the regulations. I have a case in mind where only two weeks ago a man working in a vital war plant in the city of Toronto, the head of a family of eight children, was getting an income insufficient to maintain his family on the relief standards provided in the city of Toronto. Our welfare committee was obliged to make an allowance to that family so as to maintain them on the level of those totally unemployable.

Instances of this sort can be duplicated throughout the country. Controller Saunders mentioned to me and other members of our delegation in the city this morning the case of a man working for \$16 a week—and not a 48-hour week but in one case the man works 80 hours a week because it is supposed to be a light job and the man will not suffer from it. These families become a problem for the community because the community is compelled to support such families and at least give them a relative standard of subsistence to what those on relief would get.

The question of labour relations generally is also a question that concerns municipalities. No city government desires to see the dislocation of industry within its boundary. It does not like to see industrial strife in war time or in peace time. I think in your deliberations when considering these matters of labour problems for the whole country you should consider the interests of municipalities in bringing in your findings.



I think the members of the Board of Control present in the city have every intention of suggesting that our municipality, the city government of the city of Toronto, present a brief to your Board giving its views and recommendations from the point of view of municipal government so far as it relates to labour and management relations.

I want to thank you for the privilege of addressing you and urge you to give a place to the question of municipalities in labour and management relations both for the war and for the post-war period as a subject for consideration.

The CHAIRMAN: Does anyone else wish to make recommendations? If not, before we rise for to-day may I say that we will continue here to-morrow morning at 10.30. It may be that others who made their plans to come to-morrow and not to-day will desire to be heard on the formulating of a program.

In connection with the statement which was made by myself on behalf of the Board at the opening, copies will be available to-morrow morning for any of those who intend to be here; but it will not be necessary for them to come unless they wish to do so, because a copy of the statement will be mailed to all who appeared to-day.

In view of the suggestion that the inquiry be proceeded with as soon as possible, and having in mind the fact that it does take a little time to prepare briefs, for the benefit of those who may not be here to-morrow and yet may be anxious to know when the inquiry itself will open, I may say that we have set May 4, at 10.30 in the morning, as the date. The various organizations who have expressed their wish to make submissions will be notified in due course. It seems to me that this allows reasonable time for the preparation of briefs. We have some cases to attend to in the meantime, and we should not like to be in a position where Mr. Martel might get very eloquent about our taking too long a time.

(Hearing adjourned at 5.10 p.m. until 10.30 a.m., Friday, April 16.)

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Pursuant to adjournment, the hearing was resumed on Friday, April 16, at 10.30 a.m.

The CHAIRMAN: Are there any who were not present yesterday and who wish to speak?

Mr. ANGUS MACINNIS, M.P.: Mr. Chairman, I wish to submit the following statement:—

Statement made before the National War Labour Board on Friday, April 16th, by Angus MacInnis, M.P. (Vancouver East) and Clarence Gillis, M.P. (Cape Breton South).

We take the liberty of appearing before this Board for two reasons: First, because of our long connection with the organized labour movement. Both of us have been active members of our respective unions for many years, have held office in our local organizations and have represented them at national and international conventions.

I might mention here that Mr. Gillis is a member of the United Mine-workers District 26, and I am a member of the Amalgamated Association of Street and Electric Railway Employees.

Second, because for the past three years of war since labour relations have taken added importance, we have been privileged to state labour's case in the House of Commons. This we have done not only because of our own attitude to economic and social questions, but also at the request of labour organizations across the country. Consequently we have paid

particular and continuous attention to the development of government policy in labour matters and labour's reaction and we believe we have a fair knowledge and understanding of the workers and their problem. Needless to say, we have been much concerned about the unsatisfactory situation in the field of labour relations and therefore welcome this inquiry in the hope that positive action may result from it.

For these reasons, and with the approval of our parliament caucus, we hope to have the opportunity of presenting some observations and suggestions for the consideration of this Board when the inquiry begins.

At the present time we would make the following comments:

*It should always be remembered that in labour problems one is dealing with people and not with commodities.* Those people are citizens of the country, performing an important social function and entitled to treatment as partners in the productive process and not merely cogs in the production machine. If this fact is borne in mind by all concerned, it should not be impossible to formulate a workable labour policy. If it is not kept in mind, the resolving of labour disputes must necessarily become increasingly more difficult.

I do not think it is necessary to emphasize that; it is fundamental in this matter.

We are convinced that one of the basic causes in the present labour unrest and dissatisfaction throughout the country is the fact that workers everywhere have no confidence either in the labour policy of the government or in the department which is charged with administering that policy. That this statement is true has been demonstrated by the actions and resolutions of the two Canadian Congresses of Labour.

Every person capable of thought who does not belong intellectually to the middle ages, recognizes that unionism is not merely an instrument for the protection of the workers but in our industrial age, an indispensable part of the democratic process as a whole. Through organization the workers have everywhere made important contributions toward order and efficiency in production. They have raised the standard of living and the level of social responsibility not only of the organized but of all workers.

With these general ideas in mind, we submit that the following are among the main causes for the unsatisfactory state in the field of labour relations in Canada:

- (a) The hostile attitude of employers and authorities toward the organization of labour.
- (b) The lack of adequate legislation to guarantee recognition of a union and collective bargaining with it, once it has been organized.
- (c) Lack of adequate machinery to settle disputes sympathetically and expeditiously.
- (d) The fact that labour has little or no representation on the various boards and committees which, in effect, control the position of the workers of Canada for the duration of the war.
- (e) The unfairness of the wage stabilization order, particularly as applied to the lower brackets, and the rigid and unsympathetic way in which it has so far been administered.



We are glad to note that the excellent statement presented by this Board yesterday covers the field with regard to four of the causes just enumerated. We suggest that labour representation on war boards and the field of labour-management committees might profitably be added to the subjects outlined in the Board's statement.

That is all we wish to say this morning, but we hope at a later date to have an opportunity to present a more complete brief.

The CHAIRMAN: You will have an opportunity. Do you wish to add anything, Mr. Gillis?

Mr. CLARENCE GILLIS, M.P.: I merely want to associate myself with the remarks made by Mr. MacInnis, and with the hope that we may have an opportunity of appearing before you again when the full inquiry takes place.

Mr. JAMES RUSSELL (Mine, Mill and Smelter Workers, Sudbury): I am representing the Sudbury Mine, Mill and Smelter Workers Union, local No. 598. We welcome the fact that this committee is conducting an investigation into the causes of general unrest amongst the workers, and we feel that the situation at Sudbury should be brought to the attention of the Board. I would like to cite a few points in regard to the industrial relations in Sudbury.

The CHAIRMAN: In case you were not here yesterday perhaps I should say that you will be given every opportunity to present a full brief on any submissions which you wish to make. What we are interested in at this time is the topics which shall be discussed and how the program of procedure should be worked out.

Mr. RUSSELL: No, I was not here yesterday; but we are interested in the question of discrimination against the workers engaged in the mining district through our organizing union. I have some statements here. There is a man who worked a number of years for the company, and on January 30 the shift boss told him to get behind the company union and he could get 85 cents an hour and get a bonus too. He did not take this proposition. He was a member of a bona fide union, local 598 of the Mine, Mill and Smelter Workers.

The CHAIRMAN: You are using the expression, "Sudbury Mine, Mill and Smelter" workers. Am I right in assuming you are referring to the International Union of Mine, Mill and Smelter Workers, and referring to Sudbury as the local?

Mr. RUSSELL: Yes, local 598. On March 29, this man worked his last shift on March 28, and he was given a blue slip—he was fired. When he asked why he was fired, he was given the excuse that his stope was not in order. It was in order when he left. He had no chance of doing anything with the company and there was no way for him to take it up except with the selective service. We think there should be legislation to protect these workers so that they would not be framed up or discriminated against.

The policy of the company is pretty well known as expressed by their tactics in fighting legitimate unions. Hundreds of company workers have been discharged for supposed union membership.

In presenting the case of nickel district workers, we wish to stress the importance of having industrial harmony in the vital nickel industry at this time. We wish to bring to the attention of this committee the facts of the situation in the nickel industry. In the establishing of a legitimate bona fide union with the aims and objects of bringing maximum production and reasonable working conditions we are faced with the vicious labour policy of a powerful corporation which has recently inspired the establishment of a company union known as the United Copper Nickel Workers.

It is the firm opinion of the workers of Sudbury district that proper collective bargaining legislation would be an asset to all industrial workers and the welfare of our country at this time. It would greatly facilitate the establishment of harmonious industrial relations and maximum production in the nickel industry.

The anti-labour policy of Inco as expressed through its tactics of fighting legitimate unions whether they be the Western Federation of Miners, A.F. of L., during the last war, the Metal Miners' Union of the Workers' Unity League in 1928-29, or the International Union of Mine, Mill and Smelter Workers since 1936, is well known in the nickel district. Hundreds of company workers have been discharged for union or supposed union membership.

Present tactics of the company are the using of company bosses to try and build a "union" around the so-called "collective agreement" foisted on the workers through the channels of the Welfare Associations. The workers were never consulted on this, and the officers of these welfare organizations were never authorized even by those rank and file workers in the Welfare Associations to negotiate any such "agreement", or to form the so-called union, the United Copper Nickel Workers. This so-called agreement was presented to the Central Committee of the Welfare Association in the office of the general manager of the company, Mr. MacAskill, and through the officers of the central committee to the officers of the various Welfare Associations at a special meeting in Inco's building in Sudbury. The workers first saw the so-called agreement when issued in printed form as being signed for "all production and maintenance employees of the Mining and Smelting Division and Copper Refining Division of the company paid on an hourly or per day basis . . .", and without having had any part or word in the entire matter.

We have copies and minutes and sworn statements to this effect.

The U.C.N.W. have held meetings in and had the use of company halls and buildings.

It is openly admitted and proven by the minutes of the Refinery Welfare Association meeting on October 31st, 1942, that the proposal of a Central Committee of Welfare Associations was turned down by Mr. MacAskill two years ago, and the establishment by the company of the Central Committee and the so-called agreement at this time is designed to offset organization of a bona fide union by their employees.

Upon the setting up of this company union the company intensified its campaign of discrimination against members of the bona fide union in the nickel industry, local 598, Sudbury Mine, Mill and Smelter Workers Union.

It is and has been using coercion, discrimination, demotion and discharge in its efforts to force workers into the company union, called the United Copper Nickel Works (U.C.N.W.). The fact that such tactics have been applied, clearly shows that it is not the desire of the workers to belong to such an organization and that they have no faith in it, realizing that they cannot accomplish anything through it. We also have sworn statements of cases of coercion, discrimination and demotion to prove our statements.

In addition to company officials, mine captains, etc., there have been paid organizers allowed and encouraged to organize on company time throughout the mines and smelters.

We have sworn statements proving that as many as one hundred men have been kept from working for over one hour in the Frood mine while a company union man attempted to persuade them to join the U.C.N.W. Instances of this nature have occurred many times throughout the mines and smelters of this company, holding up production.



To try and force workers into the company union, experienced miners have been replaced by inexperienced men and placed on jobs requiring less skill and experience, resulting not only in loss of income to the men demoted but also loss of production to the war effort. Such tactics have been applied in the shops and smelters with the same results.

Coercion in the form of promising advancements and more pay to some workers if they will join the U.C.N.W., disregarding seniority, has also been used.

Being subject to these conditions has given the workers no incentive to increase production and has undermined the morale of many of the workers, naturally causing absenteeism.

The workers efforts to organize have not only been opposed on the job, but the influence of the company extends throughout the community.

On February 24th, 1942, the office and furniture of our Union on Durham street in Sudbury were smashed and the two union organizers were the victims of a murderous storm-trooper raid by men whose time cards were punched in at Inco's Frood mine.

We have been denied the use of the radio and the local daily press has carried a vicious campaign of antiunion propaganda and refuses to print press releases or letters answering charges made. The union of the workers, local 598, is rapidly growing out of the needs of the workers even though suitable meeting places have been denied to us and in some cases contracts for such meeting places actually cancelled after being made.

A contract for use of a Sudbury theatre, signed by local 598 and the Canadian Congress of Labour, and the Canadian office of Famous Players Corporation was cancelled on orders from the head office of Famous Players, after the meeting to be held in the theatre had been well advertised. This is a demonstration of the power and influence of the International corporation, Inco.

Company unions and anti-labour tactics such as we have cited should not exist in Canada, and we believe that only in countries occupied by the fascist nazi powers are these things general.

We workers and citizens of Sudbury district do not approve of such practices and we are building our union to remove such conditions at home. At the same time we realize we must defeat such conditions abroad and that nickel must be produced to win the war.

Our policies and aspirations are based on the perspective of:

(a) Achieving for the workers of Sudbury the economic and social security to which all workers are entitled and which thus far have been denied the miners and smelter workers here.

(b) Stepping up production of nickel and copper by proper union-management production councils, which have been found to work so successfully where workers are recognized as a partner in industry and are designed to attain maximum production in the various mines and smelters.

Proper union-management committees would enable the workers of Sudbury district, whose patriotism is unquestionable but whose hands are tied by the International Nickel Company, to make their much desired, maximum contribution towards the destruction of fascism and the successful conclusion of the global war.

We believe that it is vitally necessary for the welfare of the workers of Sudbury and the people of Ontario, of Canada, that labour legislation should include the provision of effective machinery for the democratic determination, by vote, with secret ballot if necessary, of the bargaining agency desired by the workers immediately affected in any department, plant or industry. The choice of over 50 per cent of the workers immediately affected and voting, shall be considered the choice of the majority of the employees concerned.

Mr. WILLIAM H. BURNELL (Pulp, Sulphite and Paper Mill Workers): I have not anything to submit here this morning. As a matter of fact I had not expected to be here, but they have been holding a big conference in Montreal for the paper companies and I had to come on other business. My president called me up and told me he had received a number of letters from locals to ask me to come to-day. At further inquiries we will be able to submit something as far as the paper industry generally is concerned. We have enjoyed such wonderful relationship with the employers that there is very little legislation needed.

I know the situation in Sudbury because I lived close to there up to 1939, and I can back up the statement made about discrimination in that district. We haven't anything of that in our district.

Mr. COHEN: Perhaps you can put in a brief on how you bring that about.

Mr. BURNELL: Perhaps I could.

Mr. J. A. D'AOUST (International Papermaker's Union): I want first of all to try to hold my remarks down to the administration, or the failings of the regional and national war labour boards.

I am going to go back to the situation that our international had in Beauharnois. I organized the workers there and was able to get a very good agreement, including vacations with pay and some increases in wages, after having boards of conciliation, and also agreeing to a joint application to the regional war labour board. Instructions were given to our workers which they were supposed to follow, but we have a situation where a member of parliament, Mr. Maxime Raymond, the leader of Le Bloc Populaire, has been somewhat responsible in undermining the relations of our members and urging them to make separate applications to the regional war labour boards in spite of the instructions of the international officials. In the case of the St. Lawrence alloy strike he encouraged these people to make separate applications regardless of the instructions of the international trade union officials.

Having been in the labour movement for some thirty years I figure I am in a position to be quite able to advise the workers and do not have to have a member of parliament, regardless of any party, coming in and telling our members what they have to do. At Beauharnois it was more or less upon his instructions that they presented separate applications in spite of our advice to the contrary. They got into trouble and they had one strike for five days because of the delay in getting a decision from the Quebec board. The conciliator went in there and told them to go back to work and they would have a decision in nine days. They waited and waited and finally they got a decision, but it was not satisfactory. I went into the place and attended the meetings and assisted them in their troubles. I had held the position as secretary of the Trades and Labour Congress, and I thought I could advise them. I found that Maxime Raymond was supposed to be engaged by the local union because it so happened that the president was one of his political organizers. Maxime Raymond was going to make a success out of this and I suppose get some political influence. The men all went on strike for twenty-one days, which was contrary to the agreement signed and authorized at a well-advertised special meeting.

That was two illegal strikes started by a member of parliament. I myself went to the Department of Labour and asked that this be investigated, and I was told that a member of parliament had certain prerogatives in his own constituency and the government did not want to take them from him. I emphasized that an agreement was in existence and had at least two or three months to go and that because of undue influence used they went on strike, which strike



was not sanctioned by the international union. I could not get the Labour Department to get these people punished in some way. I referred to P.C. 7307 but I could not get any action.

Mr. COHEN: How would P.C. 7307 help you?

Mr. D'Aoust: I considered they would have to take a strike vote.

Mr. COHEN: That would only follow a conciliation board.

Mr. D'Aoust: They did not even take a vote to have a conciliation board, and I considered it was illegal because they did not go through the procedure and therefore are subject to a penalty. I could not get the department to do anything. Through the influence of Mr. Raymond they destroyed a good working agreement and the whole union was destroyed. Then Mr. Lessard, who was a member of the regional war labour board, knew the decision made and capitalized on the dissatisfaction. That is the situation at Beauharnois.

We had another situation with the same company at Windsor Mills. While we were reorganizing the mill at the request of the workers we found that Mr. Lessard had been in there, and he, as a member of the regional war labour board, said that no decision would be made unless it was authorized by him. This is a case where I say he used undue influence because of his position on that board to try to influence the workers as to what union they should belong to. I have heard from members of the union that Mr. Lessard even used confidential documents that went before the regional war labour board in order to try to influence the vote that was being taken as to bargaining rights.

I think I could say the same thing about Marquette and the Montreal tramways situation, where he used the information presented before the regional war labour board. I understand that this man has not the ability to fill this position and is only a political appointment. We have made a recommendation to the government that they put someone in that is not dead from the feet up.

Mr. COHEN: Do I understand that some person who is sitting on a regional board is supposedly representing labour but does not represent it?

Mr. D'Aoust: That is true. The regional war labour board is responsible to a great extent, and I think that it should be investigated in the province of Quebec so that they could at least get somebody that can administer the act without being prejudiced.

The situation in relation to the paper industry is that for years we have had very good agreements and very good relationships with the company.

We think that something should be done in the case of Mr. Lessard as a member of the regional war labour board. I have here some pamphlets that are being used, but I would not dare to read them. I have also a copy of a circular—I regret I have to use it—sent around in my own district, also a paper, a document signed by Mr. Lessard. I will put them in for you to see.

We have been fighting for agreements, and they were supposed to be signed, but the syndicates come along and go to the house of an individual and tell him that he must renounce his membership of the international union and come into the syndicate. If he is timid he will sign it, but if he is not timid they take him over to meet the clergy, him and his wife, and he is told that he must not belong to the international union or he will be excommunicated from the church so that if he dies he will not receive the last sacraments of the church. That is what is happening in the province of Quebec, and that is the cause of these strikes in the paper companies. The syndicates have the barbers and the butchers and even the undertakers along with them and they have the wood choppers and they decide what is going to be done with reference to the paper industry. They have mob rule and they circulate around the office of the manager, and the manager has to get a permit from the mounted police to carry a gun in order that he may protect himself. The same thing existed in Windsor

Mills. Our members were holding a meeting at the request of the employees, and the members of the syndicate with the wood choppers, the unemployed and the children around the place upset the meeting of the International Brotherhood of Paper Workers, and took four men out of the hall and put them on the train. They injured these men while they were carrying out their duties in a democratic country. There again they went around to the house of the manager and he had to get a gun to protect himself.

I am protesting against that kind of organization, especially when it has reference to breaking down the international unions when they have agreements authorized by the men themselves; but they are undermined and broken by the unfair influence that is being used.

Another thing I want to refer to is this—I am sorry I have to do this because it refers to my own faith. When there is a decision of the conciliation board to take a vote in a particular plant somebody gives a sermon and tries to influence the people to vote in favour of the syndicate. I do not think that should be done in a democratic country. I think the people should choose their organization without any undue influence of that kind.

We have here in the paper this morning a report as to Premier Godbout having said he has sent out an ultimatum to the Price Brothers Paper Company to settle their strike. This pressure is brought about by the syndicates. They are trying to break down the contract that is in existence and has a continuing clause, and which has not been repudiated by its membership. They want to sacrifice the people.

We have a very bad situation in Quebec, and I do not think it should be permitted, especially in war time. As to the Quebec Board, at the beginning, when I was secretary of the Trades and Labour Congress, I received many complaints about the unnecessary delays in getting decisions. I had one situation in which I know there was a delay of six months. After they gave their decision I think it was then referred to the National War Labour Board, and they simply said, "You may bargain for so much money"—in that case I think the men were not getting the minimum of 35 cents an hour. There was a delay of six months in trying to get some decision. It was in the paper industry.

I am told that Mr. Lessard, when some application comes before him that has reference to the paper industry, does not do anything if it is not for his own friends, and therefore he is prejudiced. Again I say that I am protesting against anybody like that being allowed to administer an act of this kind.

The Trades and Labour Congress protested in its last legislative memorandum against the whole set-up and asked that the regional war labour board should be changed, but up to this time nothing has been done.

In reference to jurisdictional dispute, I want to say this much—I know, because I was in a meeting with the Minister of Labour, and this was between the Canadian Congress of Labour and the Trades and Labour Congress of Canada. We were called in on the question whether agreements were in existence, and Mr. Mosher, Mr. Tom Moore and myself had agreed that where there was a labour agreement in existence, neither party would interfere with that agreement during its existence.

I want to protest at this time against the action of the A.C.C.L. in the tramways strike, when there was an agreement in existence, after we had made the agreement before the Minister of Labour. There was a place where the A.C.C.L. broke that agreement, and even assisted in building an organization to the point where it came to a two-day strike, but the Trades and Labour Congress of Canada took that agreement into consideration and tried to carry it out, to the extent of the powers they had.



I know the Trades and Labour Congress has not complete domination over its labour bodies, but at least they use pressure to try to keep them to the agreements they make. In the case of the tramways strike that agreement has been violated.

I am protesting against the set-up of the Quebec regional war labour board, and if something is not done pretty soon you will see lots of strikes in the province of Quebec.

Mr. EUGÈNE GIROUX (Ottawa, Hull and Gatineau District Council Paper Mill unions): I must substantiate all that the last speaker has said.

Mr. J. M. SOMMERVILLE (International Association of Machinists): Mr. Chairman, I am here not as the representative of any organization, or officially speaking for a group, but I think my long years of association and effort in building up the labour movement in this country qualifies me, to some extent, to make some remarks here to-day. I also contemplate preparing a brief in accordance with the invitation that any person might do so.

I am a member of the International Association of Machinists, of which I have been an executive officer for over thirty years, and chief executive officer of the organization in Canada. During all that experience I can say this, that the International Association of Machinists is qualified on the conditions laid down by some of those who are prepared to advise this board what they should do, and what constitutes a proper organization.

Attacks have been made on organized labour on the ground that it is not responsible, and yet the organizations have been here for fifty years, and they have endeavoured to build up an organization with responsibility. When you hear charges that the money collected from the membership is not properly disbursed, I want to say that the International Association of Machinists has a general secretary who each month sends out a report to each local in the country, which states the disbursements during that period. Semi-annually an audited statement is sent out prepared by a chartered accountant, which reveals the expenditures in every detail, and there is no secret about it. The organizations have no difficulty in securing copies of it; if they ask for it we give it to them.

We resent the attack made to belittle and destroy confidence in our organization. The only thing I can see as to the purpose for it is to create a suspicion in the minds of our members, and those who may be contemplating coming in, that the organization is only interested in collecting their money.

Every dollar collected in Canada is deposited in the Royal Bank of Canada, and the disbursement are paid from that balance. Our surplus is invested in Canadian government bonds. You would think because of that, and because the machinists have developed an organization that fits in with the ideas of some of the employers of this country, that they would get some consideration; and yet during all the period that I have been an executive officer I have never met with anything other than opposition from the employers, no co-operation at all, that is to start with.

I can cite instances where the machinists' organization have been welcomed into a plant—I do not say this; after they pushed themselves in, after a great deal of disagreement and a long struggle to establish relations with the company, the company did play ball with us and go along with us.

There is no desire on the part of the employers to play ball with the organization that tries to do the right thing. I think that to get to the bottom of the situation you have to go back and review the development since we began. I am prepared to place the responsibility for everything that is wrong with the situation at the present time.

I was one of the delegation that approached the government immediately after the declaration of war, when organized labour and the international trade unions affiliated with the Trades and Labour Congress volunteered complete co-operation with the government in the prosecution of the war. The experience we went through during the last war and during the long period of the depression made the organized workers realize, as much as anybody could, the necessity of getting down to work and laying down a program of co-operation. That delegation was welcomed by the Prime Minister, who said that was the one thing he was delighted in, and he could assure us we would get the full co-operation of the government. He said he wanted to carry this through in complete co-operation between the government, the employers in industry, and organized labour. That would be the policy of the government.

Considerable time passed and nothing was done to implement the government's promise. But finally they did put through Order in Council P.C. 2685, which was to be the policy of the government, and we were to be equal partners in this great project of winning the war. Now, the government should have given the lead to employers if that was to be the policy, but they set up a great number of corporations that went into the manufacturing industry and refused to apply that policy to themselves.

In the city of Montreal there was very little development in the aircraft industry prior to the war, but there were a number of firms established which were expanded and incorporated by the government.

I will say again that when the machinists endeavoured to get recognized and make a collective agreement with this company they were opposed. Men were discharged for no reason at all except their so-called union activities. But finally the employees agreed that they wanted it, and I am glad to say that to-day the relationship in these plants with organized labour and the employers, as they themselves would testify, is of the best.

In that city, in another plant owned and operated by the government, the machinists conceived the idea that the best way to obtain harmony and co-operation was to have a collective agreement with the employers of Federal Aircraft, as it is known. We came in and participated in the joint negotiations, but the manager refused and immediately started out to intimidate men in the plant and discredit the officers of the organization. How can there be co-operation between these people if one party is going to discredit and try to destroy the influence that the other may possess? That manager representing the government started immediately to discredit the organization. I know this to be true because it was repeated that he stated that the leaders of organized labour were nothing but a bunch of racketeers interested in the moneys they collected from the membership. The whole purpose of that thing was to destroy the influence of every organization officer present.

Nothing was done about that in Ottawa, and no action was taken to change that attitude. It has been changed lately by the damage that was done.

Another thing the Prime Minister promised was that where there were existing agreements between the workers and employers there should be no interference, and they would try to carry on with those responsible.

We had a case in Halifax in which I was concerned. We have many activities in connection with the Navy Department, and we established what was known as a minimum wage scale in the navy yards at Halifax. The rate was 85 cents an hour for skilled men. In shipbuilding, especially in navy work, and maintenance crews, the machinery that is in these shops calls for the very highest skill. We thought 85 cents an hour was a compromise, but we accepted it. Some time later, after that had been established in good faith, we received a complaint from the navy yard that the minimum wage scale had been reduced to 75 cents an hour without the knowledge of the officers who had negotiated with the government. Of course you can understand the feeling



there was in that dock yard. We had great difficulty keeping the men at work. That situation has never been cleared up. Why they interfered with the condition—that was laid down there for the period of the war nobody knows.

The government itself did not give a lead. This P.C. 2685 laid down the policy of the government to all concerned. When it was discussed before the conciliation board, where I was present, I heard it argued that it did not mean anything, otherwise the government would put it in its own plants. It was stated that it was really a sop handed out to labour, and it did not mean anything. Every effort on the part of organized labour to get the government to straighten out their position, if it was their policy, has resulted in failure.

I say the government is largely responsible for this condition, and I have a good many instances confirming what I say. I propose to submit a brief. I think we have to go through the whole situation and the developments up to this time to arrive at any conclusion, and so profit by the mistakes of the past.

The labour movement itself is most anxious, and I know it, to contribute everything it has in the prosecution of this war. It has never given up that objective. I think this Board should formulate, if it is possible, some method of restoring and re-establishing confidence in the good faith of the government in dealing with labour and bring in some formula that will develop into a program which will carry us not only through the war but beyond it.

I think the situation in the post-war period is going to be very difficult, probably more difficult than it is at the present time. There must be a broad policy whereby organized labour are made to feel that they are a part of the constitution and that they can be consulted, not advised, and their views are to receive consideration.

I was a member of the war labour supply board when that was set up. There were great hopes for the success of that, and yet it developed that the plan and program they proposed to initiate was all developed by a group representing various committees of the government and this board would be more or less a rubber stamp. It did not work out that way. The board would not be a rubber stamp, so it was abolished.

Time is a vital element in this inquiry. When I hear representatives of organizations saying that they will require six weeks or two months before they can prepare a brief, I think that is unreasonable. Anyone who is interested in and honest about this thing can prepare a brief in a week, and there will be no delay in coming to a conclusion. I think this thing should be done with speed, and I would be very glad to contribute what I can to the success of your inquiry.

The CHAIRMAN: Are there any others who wish to offer suggestions?

Mr. IRVING BURMAN (Lodge 712, International Association of Machinists): Mr. Chairman, I want to make a brief statement for the record. There is to be a conference of our organization on May 3rd. I am not authorized to speak for that conference, but I have reason to believe that the conference would wish to present a brief to this Board.

While I am on my feet I would like to agree very heartily with the suggestions of Mr. MacInnis that the Board discuss the question of joint labour and management production committees. I do not feel that this question is as basic as the question of wages and labour legislation; nevertheless I think it is very important.

I believe that a proper understanding of the functions and organization of these committees will automatically flow out of a proper policy on the basic question of labour relations; nevertheless we have seen a situation develop wherever attempts have been made to bring about a proper production relationship in a plant. In a few cases they have succeeded, but in many cases these attempts have been nothing more than a hollow shell because of the approach to labour on the part of the employers and the government.

I do not think it is as fundamental as the other questions, because I think its solution will flow out of the correct understanding of the approach to labour relations or organizations as they are interested in that question. I am sure my group will have something to say about it.

Mr. J. J. HENDRICK (Brotherhood of Railroad Trainmen): I want to subscribe to much that has been said, but there are one or two angles of the matter which I believe should be brought to the attention of the Board. I have lived under the policy of the government ever since its inauguration and I speak with some knowledge of our experience, which has not been happy by any means. The government has not done enough so far as keeping its promises is concerned. When the government makes a promise to labour which is accepted unreservedly and then fails to implement that promise it not only embarrasses the leaders of labour but causes the membership to lose faith in the government. The belief is prevalent and growing rapidly that the boards functioning since the war, the previous war labour board and the present board, cannot function successfully due to the fact of their being handicapped by orders in council on the one hand and the fiscal policy of the government on the other, and by the cabinet itself. Our conviction is that the persons on the boards have brought in too much legal technique and jurisprudence; in fact it has been in the nature of a lawyer representing a client in a court case. I would urge upon the legal profession, if I may, the necessity of their broadening their education in so far as industrial relations are concerned.

We believe that some good may emanate from this inquiry, but any tribunal which may be set up should be composed of an equal representation of labour, management and the public, and should divorce itself from legal technique and approach the questions from the broad view of experience gained in their various backgrounds. That I think will alleviate considerably the difficulty which we have found in our experience. A brief will be prepared, either separately or in conjunction with other organizations; but I did not want these few observations to be lost sight of by the Board.

The CHAIRMAN: As I indicated yesterday, the sittings of the main inquiry will begin on May 4th. The sooner briefs are forwarded the better, because when the inquiry gets under way we shall try to get through it with the greatest possible despatch. One thing I omitted to say yesterday was that the inquiry would be organized to make it most convenient to those who are presenting briefs, but at the same time anyone who is interested in the matter will be given an opportunity to attend any of the sessions if he wishes to.

(Hearing adjourned until Tuesday, May 4th, 1942, at 10.30 a.m.)





**NATIONAL WAR LABOUR BOARD**

**PROCEEDINGS**

Official Report

NO. 2

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SUBJECT:

**Labour Relations and Wage  
Conditions in Canada**

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HEARING: OTTAWA

DATE: MAY 4 and 5, 1943

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OTTAWA  
EDMOND CLOUTIER  
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1943







# **NATIONAL WAR LABOUR BOARD** **LABOUR RELATIONS AND WAGE CONDITIONS** **IN CANADA**

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Proceedings of public inquiry held in the Board Room of the Board of Transport Commissioners for Canada, Union Station, Ottawa, on Tuesday, May 4, 1943, commencing at 10.30 a.m., and continuing on Wednesday, May 5, 1943.

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## PRESENT:

The Hon. Mr. Justice C. P. McTague, J.A., Chairman.

Mr. J. L. Cohen, K.C., Member of the Board.

Mr. Léon Lalonde, Member of the Board.

D. G. Pyle, Secretary.

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## APPEARANCES:

W. B. Greenway.....Dominion Bureau of Statistics.

Percy Bengough.....Acting President, Trades and Labour Congress of Canada.

J. A. Sullivan.....Vice-President, Trades and Labour Congress of Canada.

M. M. Maclean.....Department of Labour, Dominion of Canada.

James Somerville.....

J. B. Ward.....Chairman, General Conference Committee of General Chairmen, Standard Railway Labour Organizations; General Chairman, Brotherhood of Locomotive Engineers, C.P.R.

William Long.....President, Victoria Lodge No. 111, International Association of Machinists.

A. R. Mosher.....President, Canadian Congress of Labour.

J. O'Connell-Maher.....Associate Deputy Minister of Labour, Province of Quebec; representing Quebec Regional War Labour Board.

Alfred Charpentier.....Canadian and Catholic Confederation of Labour.





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(Hearings of May 4 and 5, 1943)

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## National War Labour Board

The CHAIRMAN: The first item that will go on the record will be a statement from Mr. Pyle in connection with some of the statistical information on the operation of the War Labour Boards, both National and Regional.

Mr. PYLE: As to the applications made to the National War Labour Board and to the nine Regional War Labour Boards, the more important facts may be summarized as follows:—

- (a) To February 28, 1943, a total of 21,451 applications were considered by the ten Boards and if an employee covered by more than one application is counted as a single employee in each such application an estimated 1,567,063 employees were affected.
- (b) Of the applications, 82·6 per cent were submitted by employers, 5·9 per cent by employees, and 11·5 per cent jointly. The employee-applications for cost of living bonus and increases in basic wage rates, however, covered about 35 per cent of the employees involved in applications of those types.

The CHAIRMAN: What is meant by that “the employee-applications for cost of living bonus and increases in basic wage rates, however, covered about 35 per cent of the workers involved in applications of those types”?

Mr. PYLE: Applications by the employees for cost of living bonus and increases in basic wage rates were rather small in number.

Mr. COHEN: The employees involved are 35 per cent?

Mr. PYLE: I was not able to obtain complete figures as to the number of employees involved in the various types of applications submitted by employees, for example group insurance plans, or miscellaneous items, and things like that. There is an indication that the applications submitted by employees involved on the whole more employees than those submitted by employers. I indicated that 35 per cent of all employees involved were in those applications for wage increases and cost of living bonus were submitted by the employees.

Mr. COHEN: Do you mind going back to the second paragraph and examining your statement there that “if an employee covered by more than one application is counted as a single employee in each such application an estimated 1,567,063 employees were affected.” Just how does that operate? To what extent do these applications duplicate each other as to employees involved?

Mr. PYLE: I am afraid at the moment it would be rather difficult to ascertain. An employee may be covered by applications during the course of a year, since the time the Board was established, for wage increase, bonus, or payment for overtime.

Mr. COHEN: That is, the same employee may repeat in a number of applications?

Mr. PYLE: Yes. This number is indicative only of the size of the applications when we have the employees counted up, but one employee may be covered by more than one application. I would say a substantial number have been covered by several different applications.

- (c) 77·2 per cent of the applications covering 51·3 per cent of the employees were direct requests for increased remuneration, that is, applications for cost of living bonus and increases in basic wage rates.



- (d) Of the applications, 89.1 per cent were granted in full or in part.
- (e) From various sources of information it has been estimated that the applications granted in full or in part authorized or directed increases in payroll disbursements by about \$79,237,104 per year.

Taking each of these in turn and first the total applications, more than one-half of the cases were decided by Regional War Labour Boards for Ontario and Quebec and more than two-thirds by these two Boards and the British Columbia Board. Another 20.9 per cent were handled by the three Boards of the Prairie Provinces and the remaining cases were decided by the Maritime Boards and the National Board. In order that this statement may not become too enmeshed in figures, tables setting forth the statistical information in greater detail have been appended, and more detail relative to the number of cases handled by the Boards may be found in table I.

Figures as to the number of employees, however, probably throw more light upon the relevant importance of these applications in so far as one application may involve but one employee or a number of employees running into several thousands. It has been estimated that a total of 1,567,063 employees have been covered by applications of the various types. That is subject to the qualification that they may be duplicated; that is it may well be half of that figure or three-fourths. Complete details are given in table II appended and it is sufficient to note that 39.5 per cent of the employees were covered by decisions of the Quebec Board, 33.1 per cent by the Ontario Board, and 14.1 per cent by the National Board, and to note that there is little relationship between the number of cases handled and the number of employees covered.

As to the origin of these applications the predominant number (82.6 per cent) were submitted by employers and only small fractions were submitted by employees (5.9 per cent) and by joint petition (11.5 per cent). Such percentages moreover cannot be said to be representative of all Boards. Indeed in most cases the number submitted by the employers is even greater. In substantiation of this statement, attention is drawn to table III which will indicate that of the total of 2,463 cases made by joint applications 1,893 or 76.8 per cent were handled by the Regional War Labour Boards for Manitoba and Quebec. Complete figures are given in the accompanying table III. With reference to the number of employees covered by these applications in order that some indication might be obtained as to whether or not employees were submitting applications affecting the greater majority of employees, it was not found possible to obtain complete figures in all cases but with respect to those applications involved for the payment of cost of living bonus and increase in wages of a total of 806,720 employees 21.9 per cent were covered by those joint applications, 35.0 per cent by the employee petitions, and 43.1 per cent by the employer submissions.

Mr. COHEN: I do not want to keep interrupting you, but that figure of 806,720 does not allow for duplications?

Mr. PYLE: It does not. It is not a matter of reporting the details as to the benefit to each individual employee, but merely to indicate the size of the applications which have been submitted to the Board. So far as my statistical figures go they are intended to indicate the general significance of these cases and the size of them. I may count one head twice or three times, but it would be in order so far as I am concerned.

Mr. COHEN: There would be no quarrel with me about that.

Mr. PYLE: That explains how I get the figure of eight hundred thousand.

Mr. COHEN: It indicates the size of the applications; it does not indicate the fact that 806,720 separate employees were affected?

Mr. PYLE: Definitely not. With respect to the nature of the applications, 10.5 per cent were for the payment of cost of living bonus based on the rise in the adjusted cost of living index number from a month prior to October, 1941, or for payment of cost of living bonus based on the rise in the adjusted cost of living index number from a month prior to October, 1941, prior to a date from which a cost of living bonus then being paid had been computed and more than two-thirds of the cases (66.7 per cent) were for increases in wage rates. That would mean we had to make a certain distinction between the cost of living bonus to those in receipt of it prior to the application and those who were not receiving it. In the first class they felt they were entitled to cost of living bonus in excess of what they were then receiving. The remainder were for the establishment of new positions, deferment of cost of living bonus, determination of rank, the establishment of welfare plans, the establishment of wage incentive plans and other items which have been included as miscellaneous. Tables with respect to these applications are appended.

Now with respect to the decisions rendered. Of all applications only 10.9 per cent were denied, and 6 per cent were granted in part. A breakdown by provinces will show that no Board denied any large proportion. Only Alberta denied more than 20 per cent.

With respect to applications for payment of cost of living bonus 2,250 applications were made and these involved an estimated 324,897 employees (an average of 144 employees per application). 30.9 per cent of the cases covering 56.6 per cent of the employees were handled by the Quebec Board, 30.0 per cent involving 23.73 per cent of the workers by the Ontario Board as compared with the two western Boards handling 20.8 per cent of the total applications involving but 5.02 per cent of the employees.

The CHAIRMAN: What are the two western Boards you mention?

Mr. PYLE: British Columbia and Alberta. As to the parties submitting these cases, the majority were submitted by the employers and roughly speaking one-half of the remainder were by joint application and one-half by employees. However, of the 324,897 employees involved less than half were covered by these applications submitted by the employers (an average of 93 employees per application), and the employee applications covered on the average a larger number of employees per application (an average of 367 employees per application). As to the decisions more than 85 per cent of the applications involving about 80 per cent of the employees were granted in full.

Of possible assistance in appraising figures is an estimate as to the amount of money authorized or directed in monthly figures. Roughly \$2,351,057 per month has been granted in such applications, the amounts by each Board as set forth in an appended table. It is sufficient to mention here of the total more than half were granted by the Regional War Labour Board for Quebec and slightly less than one-third by the Ontario Board.

Finally, with respect to applications for wage increases. 66.7 per cent of all applications were of this type and they covered 30.7 per cent of the employees involved in all applications which were made to the Board on such grounds. Nearly one-half of the cases moreover (47.81 per cent) were handled by the Quebec and Ontario Boards. These Boards covered, roughly speaking, more than half of the employees. Complete figures are given in tables VII and VII-A.

With reference to the party or parties introducing these applications 11.1 per cent were by joint application and covered 26.8 per cent of the employees as compared with 4.7 per cent involving 28.3 per cent submitted by the employees and 84.2 per cent of the cases and 43.3 per cent of the workers submitted by the employers. Decisions with respect to such applications show more than 80 per cent, involving more than two-thirds of the employees, were granted in full.



Estimates as to the amounts of money involved, while subject to the reservations as referred to earlier, indicate that a total of \$4,252,035 per month has been authorized or directed of which a third (33·41 per cent) was granted by the Quebec Board, one-quarter (25·85 per cent) by the Ontario Board, one-fifth (19·77 per cent) by the National Board and one-tenth (9·25 per cent) by the British Columbia Board.

As stated earlier, the remainder of the cases were divided among applications for deferment of cost of living bonus, establishment of new positions, determination of rank, establishment of group insurance plans, of wage incentive plans, payment of war risk bonus and for other matters which may be regarded as miscellaneous. Details as far as it has been possible to obtain have been compiled and are appended in the form of additional tables.

Mr. COHEN: Is there any way of indicating to us the source of the figure given on page 5 of \$2,351,057?

Mr. PYLE: Yes, there are two methods, one being that employers have been writing in asking for permission, and the other that employees write in asking for a direction to employers to increase the wages of a number of employees \$10 a month or 5 cents an hour. On the basis of wage returns on file with the National Board we were able to determine the amount of money. Where the case[s] became larger we adopted the practice of writing the companies and requesting information as to the number of employees involved and the amounts of money granted in wage increases, and they took them straight from the payroll, I presume. The National Board in any event got one hundred per cent replies.

The CHAIRMAN: I do not suppose at this stage of the proceedings there is much advantage in going over the tables that are appended, but it will be made a part of the record, and then when those interested have an opportunity to examine this statement we may have Mr. Pyle back for some questions that may occur to anyone.

TABLE I—CASES HANDLED BY THE BOARDS

Board	Cases Decided	Per Cent
National .....	813	3·8
Prince Edward Island .....	105	0·05
Nova Scotia .....	754	3·5
New Brunswick .....	496	2·35
Quebec .....	4,484	21·0
Ontario .....	6,891	32·2
Manitoba .....	1,487	7·0
Saskatchewan .....	1,595	7·5
Alberta .....	1,364	6·4
British Columbia .....	3,462	16·2
Total .....	21,451	100·0

TABLE II—EMPLOYEES INVOLVED IN APPLICATIONS (ALL TYPES)

	Nos. of Employees	Per Cent
National .....	220,355	14·1
Prince Edward Island .....	782	0·05
Nova Scotia .....	50,140	3·2
New Brunswick .....	19,576	1·3
Quebec .....	619,632	39·5
Ontario .....	519,265	33·1
Manitoba .....	12,075	0·8
Saskatchewan .....	8,086	0·5
Alberta .....	53,471	3·4
British Columbia .....	63,681	4·05
Total .....	1,567,063	100·0

TABLE III—APPLICATIONS AS TO PARTY OR PARTIES SUBMITTING

Board	Total	Joint	Employees	Employers
National .....	813	106	127	580
Prince Edward Island.....	105	4	5	96
Nova Scotia .....	754	25	58	671
New Brunswick .....	496	37	25	434
Quebec .....	4,484	706	407	3,371
Ontario .....	6,891	138	158	6,595
Manitoba .....	1,487	1,187	37	263
Saskatchewan .....	1,595	2	40	1,553
Alberta .....	1,364	27	160	1,177
British Columbia .....	3,462	231	248	2,983
Total .....	21,451	2,463	1,265	17,723

TABLE IV—DECISIONS RENDERED BY THE BOARDS

Board	Total	Granted in full	Granted in part	Denied
National .....	813	617	112	84
Prince Edward Island .....	105	90	2	13
Nova Scotia .....	754	615	34	105
New Brunswick .....	496	448	29	19
Quebec .....	4,484	3,902	144	438
Ontario .....	6,891	5,557	482	852
Manitoba .....	1,487	1,408	17	62
Saskatchewan .....	1,595	1,182	299	114
Alberta .....	1,364	932	116	316
British Columbia .....	3,462	3,074	49	339
Total .....	21,451	17,825	1,284	2,342

TABLE V—TYPES OF CASES

	Number	Per Cent
To pay or to increase payment of cost of living bonus..	2,250	10.5
To exempt or defer payment of cost of living bonus....	182	0.9
Increase wages .....	14,308	66.8
Establish new position or rate .....	1,937	9.0
Determine rank .....	424	1.9
Wage incentive plan .....	204	0.9
Group insurance plan .....	654	3.0
War risk bonus .....	43	0.2
Miscellaneous .....	1,449	6.8
Total .....	21,451	100.0

TABLE VI—APPLICATIONS FOR PAYMENT AND INCREASED PAYMENT OF COST OF LIVING BONUS

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	106	4.7	32,785	10.10
Prince Edward Island .....	3	0.1	33	0.01
Nova Scotia .....	88	3.9	6,186	1.90
New Brunswick .....	49	2.2	3,184	0.97
Quebec .....	695	30.9	183,904	56.61
Ontario .....	675	30.0	77,128	23.73
Manitoba .....	84	3.7	2,442	0.75
Saskatchewan .....	82	3.7	2,979	0.91
Alberta .....	202	9.0	8,623	2.67
British Columbia .....	266	11.8	7,633	2.35
Total .....	22,250	100.0	324,897	100.0



## NATIONAL WAR LABOUR BOARD

TABLE VIA—ESTIMATE OF MONEY AUTHORIZED OR DIRECTED IN DECISIONS UPON APPLICATIONS FOR PAYMENT OR INCREASED PAYMENT OF COST OF LIVING BONUS

Boards	Amount of Money Involved	Per Cent
National .....	201,368	8.52
Prince Edward Island .....	147	0.1
Nova Scotia .....	36,675	1.57
New Brunswick .....	17,691	0.76
Quebec .....	1,233,216	52.45
Ontario .....	736,357	31.33
Manitoba .....	24,475	1.04
Saskatchewan .....	21,866	0.93
Alberta .....	50,118	2.14
British Columbia .....	29,143	1.25
Total .....	2,351,057	100.00

TABLE VII—APPLICATIONS FOR WAGE INCREASES

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	332	2.3	85,278	17.7
Prince Edward Island .....	77	0.5	577	0.1
Nova Scotia .....	572	4.0	38,518	7.9
New Brunswick .....	344	2.4	6,011	1.3
Quebec .....	2,710	18.9	181,013	37.6
Ontario .....	4,116	28.8	99,800	20.7
Manitoba .....	1,256	8.8	6,270	1.3
Saskatchewan .....	1,266	8.9	4,011	0.8
Alberta .....	930	6.5	18,880	3.9
British Columbia .....	2,705	18.9	41,465	8.7
Total .....	14,308	100.0	481,823	100.0

TABLE VIIA—ESTIMATE OF MONEY AUTHORIZED OR DIRECTED IN DECISIONS UPON APPLICATIONS FOR WAGE INCREASES

Boards	Amount of Money Involved	Per Cent
National .....	840,472	19.77
Prince Edward Island .....	3,159	0.07
Nova Scotia .....	131,889	3.10
New Brunswick .....	52,295	1.23
Quebec .....	1,420,715	33.41
Ontario .....	1,098,946	25.85
Manitoba .....	76,032	1.79
Saskatchewan .....	75,979	1.79
Alberta .....	158,814	3.74
British Columbia .....	393,734	9.25
Total .....	4,252,035	100.00

TABLE VIII—APPLICATIONS FOR ESTABLISHMENT OF NEW POSITION AND RATE

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	176	9.09	19,047	13.70
Prince Edward Island .....	1	.05	1	.001
Nova Scotia .....	46	2.37	1,295	.93
New Brunswick .....	58	2.99	7,419	5.34
Quebec .....	895	46.21	73,745	53.04
Ontario .....	172	8.87	27,208	19.57
Manitoba .....	64	3.31	616	.43
Saskatchewan .....	167	8.62	578	.42
Alberta .....	105	5.43	6,085	4.38
British Columbia .....	253	13.06	3,040	2.19
Total .....	1937	100.00	139,034	100.00

TABLE IX—APPLICATIONS FOR DETERMINATION OF RANK

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	1	·2	155	2·90
Prince Edward Island .....	5	1·2	9	·18
Nova Scotia .....	14	3·3	204	3·83
New Brunswick .....	16	3·8	107	2·01
Quebec .....	147	34·7	2,612	49·00
Ontario .....	92	21·7	1,067	20·02
Manitoba .....	26	6·1	85	1·59
Saskatchewan .....	16	3·8	198	3·71
Alberta .....	23	5·4	87	1·64
B.C. ....	84	19·8	806	15·12
Total .....	424	100·0	5,330	100·00

TABLE X—APPLICATIONS FOR ESTABLISHMENT OF WAGE INCENTIVE PLANS

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	18	8·8	2,975	16·44
Prince Edward Island .....	4	1·9	62	0·34
Nova Scotia .....	6	2·9	118	0·65
New Brunswick .....	3	1·5	97	0·54
Quebec .....	104	50·9	8,711	48·14
Ontario .....	22	10·9	3,980	21·99
Manitoba .....	4	1·9	136	0·75
Saskatchewan .....	14	6·9	36	0·20
Alberta .....	11	5·4	1,513	8·36
British Columbia .....	18	8·9	468	2·59
Total .....	204	100·0	18,096	100·00

TABLE XI—APPLICATIONS FOR ESTABLISHMENT OF GROUP INSURANCE PLANS

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	23	3·52	7,767	6·53
Prince Edward Island .....	3	0·46	31	0·03
Nova Scotia .....	10	1·53	781	0·66
New Brunswick .....	14	2·14	1,554	1·31
Quebec .....	205	31·35	47,394	39·87
Ontario .....	283	43·27	52,196	43·91
Manitoba .....	30	4·58	1,570	1·32
Saskatchewan .....	3	0·46	9	0·01
Alberta .....	24	3·67	4,618	3·89
British Columbia .....	59	9·02	2,939	2·47
Total .....	654	100·00	118,859	100·00

TABLE XII—APPLICATIONS OF MISCELLANEOUS CHARACTER

Boards	Cases Handled	Per Cent	Employees	Per Cent
National .....	112	7·7	69,199	15·40
Prince Edward Island .....	11	0·8	52	0·01
Nova Scotia .....	16	1·1	2,955	0·66
New Brunswick .....	12	0·8	1,204	0·27
Quebec .....	417	28·8	152,081	33·85
Ontario .....	702	48·5	203,895	45·37
Manitoba .....	15	1·0	820	0·18
Saskatchewan .....	41	2·8	255	0·06
Alberta .....	49	3·4	11,622	2·58
British Columbia .....	74	5·1	7,267	1·62
Total .....	1,449	100·0	449,350	100·00

The CHAIRMAN: Then, Mr. Greenway, I think you have some statements you wish to put on the record in connection with the cost of living index figures, and so on. We should be glad to hear from you now.



Mr. W. B. GREENWAY (Dominion Bureau of Statistics): I would like to outline briefly the conception behind the cost of living index and indicate the basis of the budget record which is used in compiling the prices data used in the compilation of the index, and then deal with certain features of the index. I would like also to deal with certain criticisms of the index which have been directed to us from time to time in the last few months.

It is our purpose to follow the change in the cost of living of a wage earner's family budget from month to month. This budget has been based upon a survey of the wage earning family's living expenditures made in 1937 and 1938. But I am getting a little bit ahead of myself; what I want to establish first is that the budget is a fairly constant list of living requirements. Whereas the earning family itself may have a certain amount of variety from month to month, the index follows simply the price variations in this budget which reports a definite plane of living. Necessarily there had to be adjustments from time to time in that list of items, but in order to get a record which will show the influence of price changes over a long period, it is necessary to minimize these changes in the list of items. If we varied our budget exactly by day to day or month to month purchases we would end up with a record which would not indicate the movement of prices but simply a change in the total cost of purchases. In other words, it would approximate the fluctuations in income rather than the fluctuations indicated by price changes. There is a fundamental difference, and for that reason I think there has been some confusion about the movement in the index.

To get back to the index budget, or to the basis of it, I already mentioned it is factual. We actually went out to wage earner families and asked them for a record of every detail of their living expenditures for a period of one year. We were very careful in selecting the families from whom records were collected. That was done by a careful study of the census records to establish what the typical characteristics of a typical wage earner's family were, the typical numbers of children, and the typical annual salary and wage range. We also considered the typical living conditions, and to ascertain that we made a preliminary survey of twelve cities which it had been determined to canvass. From the preliminary survey we got a list of families which measured up to these typical requirements; we went back to those same families and obtained their expenditure records, and the index budget as it now stands was based upon that record.

Each month we collect from approximately two thousand retailers scattered across the country records of the month to month changes in the cost of this budget. The price record covers clothing and fuel, home furnishings and a considerable list of items we call miscellaneous, which include personal requirements, recreation, rents, and so on.

Now, I would like to mention one point in particular about the method of collecting these prices. Each time a schedule goes back to the merchant of the prices he had reported or listed last month, and he is asked to quote for the month the price which is directly comparable with the amount for the month preceding. In the case of clothing and home furnishings we ask for additional information as to certain changes in quality, if any, and the cost from month to month. Besides asking for the current price comparable to that of the month preceding, we ask for indication of any quality change that may have occurred as the result of new shipments of goods. Of course, retail merchants tend to sell at a given price. They find that \$1.98 is a good price for a certain line and stick to it. That sometimes results in a reduction in quality, and it has been our policy as far back as 1926 to ask for a record of any quality changes in addition to the price change. If the price for the two months is shown as \$1.98 and there has been a drop of 5 per cent in the quality, we treat that exactly the same as a 5 per cent rise in the price.

I would like to make one further point concerning our adjustments on the amounts in the budget. We made an announcement just a month or so ago of certain changes that were necessary and as a result of this shift in consumption we took out several items from the index—bananas, coke and one or two others. I would like to make it clear that when items are taken out of the index—what we call spliced out—it does not mean that that operation will result in a drop in the index, but the weights of these items are redistributed so that the cost of the total budget after the adjustment is equal to the cost prior to the adjustment. In that way the index continues to be a measurement simply of the price fluctuation, and does not react directly to the shifts in the budget, shifts in weight or changes in items included.

The items in the cost of living budget are grouped for convenience into six parts. The one which attracts by far the most attention is the food group; in fact to the people in many places the cost of living is identified entirely with food prices. That is rather unfortunate, because food accounts for only about 35 per cent of the total budget. It contains 45 staple items. It does not pretend to have any particular significance so far as nutrition is concerned. We have no thought of saying that because a certain item is not included in the cost, that item is not necessary or should not be bought. We select sufficient items to be sure in our minds that the list is extensive enough and priced accordingly. In the movement in food prices the omission of certain items may affect the result very slightly, but we are reasonably sure that our list is broad enough and inclusive enough to measure the overall change.

The food record is based on prices obtained from about 1,600 retailers, both independent and chain stores, in sixty-nine centres located all across the dominion. The fuel and light index is based upon the record of coal, fuel for cooking and heating, domestic gas and electricity. There is a fairly elaborate routine for compiling this information which I take it you will not be concerned with at the present time. The rent index is based upon records obtained at lease periods, May and October, from real estate agents across the country in approximately sixty cities. Clothing is based upon a rather restricted list of items, thirty-one in all. I would like to mention again that it is not suggested that this list is all that is necessary to maintain a family. There are some obvious omissions which will be necessary. Our reasoning in selecting this list is roughly this. Clothing to a considerable extent is sold on a style basis, particularly women's clothing, and the price has only a secondary relation to the intrinsic wearing value of these goods—I cite women's hats as a case in point. We have decided that the important thing is to get an idea of the basic materials entering into the clothing question and find out what approximate proportion they bear in the ordinary family purchases, and that our record will be more accurate by restricting it to goods which we can price correctly on a quality basis than if we got mixed up with a large number of items in which essentially the style factors are predominating. The same remarks hold true for home furnishings to a considerable extent. The list of items there is comparatively small, but the same process of representation is used.

The miscellaneous group takes into consideration everything else which is measurable on a price basis which comes into living costs—health requirements, personal care such as toilet accessories, shaving requirements, transportation costs, recreation costs, as to the position which they occupy in the budgets of our original earner families.

Now I would like to deal very briefly with some of the criticisms which we have received. I would say that almost nine-tenths of them are simply a bald statement that the index needs amplification. It is difficult to answer that criticism, but I think some of it may be answered by the fact that to many people the cost of living is identified by the cost of food. Food prices went



up nearly thirty per cent according to our record before subsidies were established on tea, coffee and oranges, produced by lower import duties. They do not distinguish between the importance of the different items in the food group. Bread is very important and it has gone up little or none since the outbreak of war. Milk in most cities is now lower than it was at the beginning of the war. It is 12 per cent of the total budget cost. Those factors indicate a dampening effect on the other commodities we show.

Take a simple average of the items included in the record and they would show a much higher rise than it does. It is surely reasonable to read these items in relation to their importance in the actual family budget. Another point that is fundamental is that our prices very often are taken as current prices. Just the other day in the *Edmonton Journal* or *Bulletin*, I forget which, one of the local labour leaders made the statement that he could not obtain goods in Edmonton at the present time at the prices shown in the current *Labour Gazette*. These prices apply to a date nearly three months earlier, so that it is not to be wondered at that that might occur. People are almost all convinced that their city is just a bit different from any place else, that if you took a separate record of the living costs there it would show a greater rise there than elsewhere; hence it is argued that a regional index is necessary. I would like to make two points in connection with that. We have eight city indexes at the present time which are constructed exactly the same as the dominion index, and after roughly three and a half years of war the maximum range between the highest and the lowest is about five points, and the difference between the highest and the lowest dominion index you will see cannot be more. The difference is less than three points. Therefore I am convinced that in any given city the movement of living costs at the \$1,000 income level and the \$2,000 income level are likely to be as different as the difference indicated by any source. That does not by any means dispose of the argument for a regional index, but I think it is an argument which might be considered.

Getting back to the more direct criticism, it has been said that we cannot be sure of our prices. Our prices are trustworthy; they are obtained directly from merchants. Now we will be able to answer them completely within a very short space of time because regional representatives are now being appointed to check the figures which are supplied. Meanwhile, from working with these prices, which are carefully scrutinized, I am still convinced that a very high percentage of the merchants are honest people and that the record is not seriously in error. I have had that information confirmed by local boards—not a complete representation of the local labour representatives, but in several centres it had been agreed that our records are probably accurate.

The final criticism which has been filed is that we ourselves are not to be trusted. One daily paper has put it in that way, and I suppose my opinion would not count for a great deal but I can at least say to you—

Mr. COHEN: You mean as against the daily paper.

Mr. GREENWAY: I would like to believe that it had, but as a matter of evidence it is probably not very important. I would like to put this on the record, that our methods of calculation have been changed in no respect since the outbreak of war, with the exception that we handle the data more carefully than we did and take extra precautions to see that nothing slips by us. Otherwise our methods have not been changed whatsoever.

Mr. COHEN: You spoke at the outset of a typical wage earner family both as to expenditure and status in 1937.

Mr. GREENWAY: Actually in 1938, covering the year ending September, 1938.

Mr. COHEN: Would that be represented by this table I? Is that a typical family?

Mr. PYLE: This table was not submitted by Mr. Greenway.

Mr. COHEN: No, but I mean that it is a table which has been submitted as representing the average expenditures and distribution as between these various factors and the cost of living; this is the one that is still used.

Mr. GREENWAY: Yes.

Mr. COHEN: And would the items used in the calculation of the cost of living index be found among the items which you are now using in estimating the cost of living and which are set out on page 535?

Mr. GREENWAY: Yes.

Mr. COHEN: Now, you indicated that you did not suggest for a moment taking a family's needs in terms of nutrition that they would be satisfied by using these quantities of foods or confining their consumption to this list of foods.

Mr. GREENWAY: No, but I would like to make one observation. The food weight is based on all foods produced, including those produced for consumption outside of the home, that is, restaurant meals, and so on. We did at the time test the adequacy of the complete record submitted from a nutritional standpoint and found that people were able to produce a sufficient amount of food in almost every family—not every family, but the average were able to produce sufficient to cover all nutritional requirements. Some milk purchases were a little low, but otherwise they were well up to Canadian dietary standards.

Mr. COHEN: I may have failed to make myself clear, but what I meant was that in some cases a family would select types of food varying from your lists.

Mr. GREENWAY: Yes.

Mr. COHEN: This list is correct as to the cost to the family of these foods if they actually consume them, but it may have no similarity in weight and costs to the substitute foods they purchase.

Mr. GREENWAY: Yes.

The CHAIRMAN: I may say to those in the room who are interested in this subject that we happen to have before us the galley proof of an article which will appear in the "*Labour Gazette*" for the month of April. I am advised that in a very short time, a matter of days, the April issue will be available, and we will be supplied with enough copies to distribute them to those who will be here during the course of this inquiry, so that everybody will have an opportunity of seeing in print the summary given very much along the lines that Mr. Greenway has given it. I take it that if there are questions which come up in the course of the inquiry in respect to these matters you will make yourself available, Mr. Greenway, at some time in the future.

Mr. GREENWAY: Yes, sir.

The CHAIRMAN: Mr. Bengough, are you going to present your brief as submitted here, or have somebody else read it.

Mr. PERCY BENGOUGH (*Trades and Labour Congress*): We are ready, Mr. Chairman—Mr. Sullivan and myself.

Requests were made by others at the earlier sessions of this inquiry that the Board make available certain factual material for those who will be participating in these proceedings. We have a similar request to make and list some of the outstanding questions to which it appears to us the Board should obtain appropriate data from the particular departments of the government involved so that it may be filed with the proceedings and available for all parties.



We have in the meantime prepared a preliminary statement in a general way of the views of the Trades & Labour Congress, and the associations and membership represented by it, on the matters which this inquiry will be dealing with, but we will supplement this statement by a further presentation of our views after the material we now ask for has been made available.

The questions on which we think information should be placed at the disposal of the inquiry are as follows:—

1. How is the cost of living index made up? What commodities is it based on and how and when are the prices or figures obtained upon which the index is computed?

The CHAIRMAN: We have that.

Mr. BENGOUGH: We have to some extent been given information this morning, but even after you have convinced us we have the awful job of convincing our wives that the figures are correct.

The CHAIRMAN: As I have said, we will see that there is made available to you a complete explanation as it has been prepared, and then you will have an opportunity to study it.

Mr. BENGOUGH: To continue with the questions:—

2. What subsidies or subventions have been paid by or on the recommendation of the Wartime Prices and Trade Board, and what are the reasons for such subsidies and subventions?

3. Do employers, whether manufacturers or distributors, receive any other financial assistance or other aid from or through the government in connection with managing their affairs or maintaining their price levels, and if so what is the nature of such assistance?

4. What price increases have been permitted by the Wartime Prices and Trade Board and the reasons for the same?

5. What is the total profits for the fiscal years of 1939, 1940, 1941 and 1942, and what was the total capital during these years as verified by the Department of Finance?"

The CHAIRMAN: I do not understand that question.

Mr. BENGOUGH: The total profits in Canada. There is a general feeling that there may have been quite an increase, and for that reason we are looking for those figures.

6. As to each of these years, how much of these profits have been taxed by the Dominion government?

7. What proportion of such taxes are refundable, and under what circumstances?

8. Upon what principles is the excess profits tax computed and what are the exceptions, if any?

9. Generally, what financial payments or other assistance has been given by the government to industry since the outbreak of the war?

10. How much depreciation has been allowed against taxation on plant construction or plant equipment since the outbreak of the war and how much of such depreciation allowance has been made under the authority of the War Contracts Depreciation Board?

11. What is the number and value of plants or plant equipment owned by the government but managed by private companies, and what are the terms of contract of management as to purchase of plant or equipment by the managing companies and the terms or remuneration for management of such plants or equipment?

12. Have any natural resources or other property rights of the people been leased or sold since the outbreak of the war and what are the terms of such transactions including duration of any leases?

13. What new wartime industries have been introduced into Canada since the outbreak of the war and at whose cost as to initial installation and the experimental period?

14. Who controls patent rights involved in these operations?

15. How is the bonded debt of the Dominion of Canada distributed as between banks or other financial or corporate institutions and others?

16. Who are the main primary contractors in wartime industry?

17. In what way does the government supervise the full utilization of plant capacity and labour power, whether primary contractors or sub-contractors? What is the geographical distribution of this work?

18. Has the cost of production of war commodities decreased since the outbreak of the war and has there been an increase in per man per hour productivity since the outbreak of the war, and to what degree?

19. In what way do the workers share in the results of increased productivity or decreased cost of production?

20. What steps are being taken by the government to avoid protracted lay-offs and unemployment in war industries?

21. What steps are being taken to ensure reasonable minimum supplies of essential foods and commodities for the people?

I realize there are quite a few questions there, but after all they are really very important.

The Trades and Labour Congress of Canada on whose behalf we appear to-day is an organization representing fifty-eight International Unions with 1,518 Canadian locals; nine National Unions with 164 locals; three Provincial Federations of Labour; forty-one Trades and Labour Councils situated in the various cities throughout this Dominion; one hundred and twenty-three directly chartered and affiliated Federal Unions; representing a total of 1,849 local unions with a combined membership of 264,375. We wish to point out that this Trades and Labour Congress of Canada was organized in the city of Toronto on the 26th of December, 1883, and for almost sixty years has been seeking and securing legislation of benefit to the workers of Canada in particular and most citizens generally.

On this established fact we think we can rightfully take the position that this Trades and Labour Congress also represents the many thousands of workers in Canada who have not had the opportunity or been able to affiliate themselves with the trade union movement and, as a result of that lack of organization, are unable to give voice to their opinions.

The membership of this Congress is engaged in practically all lines of Canadian industrial activities. Thousands, of course, are now serving in the various branches of the armed forces and thousands are working on transportation, ship construction and its auxiliary industries, aircraft production, the manufacture of munitions and supplies of all descriptions, as well as such industries as building and general construction, pulp and paper, needle trades, fishing and government and municipal employees.

The membership we represent fully realizes their responsibility in relation to the present war situation and that the most important issue confronting all of us to-day is to win this war in the shortest possible



time. It is not their desire to be continually engaged in labour disputes. They earnestly prefer that a spirit of harmony, co-operation and confidence should prevail between labour, management and government. They know that unless such a frame of mind exists, maximum production is impossible. They are not only opposed to stoppages of work, but are opposed to the multitude of irritations that have been rampant, because these things hamper and bottle-neck our war effort by destroying that spirit of enthusiasm which must be created and maintained so that all can work with a will to defeat our common enemy.

They know full well that to successfully wage a war against dictatorship nations, all have to accept discipline and restrictions and the curtailment of some of our hard won liberties. But, surely they have a right to at least expect some consultations before these things are wished on them. The regrettable fact remains that labour was not consulted. Restrictive orders in council were put into effect and by the very manner in which they were brought about, they were received with misgivings and mistrust. The feeling engendered was that somebody was experimenting on them and that they were being treated more as guinea pigs.

They were willing to be led but resented being driven. The workers were not desirous of using a war situation to advance their own interests, but they have been forced to do these things for their own protection in the face of little or no co-operation and in very many instances open hostility.

Organized labour pledged its support to our government in the war effort. We still want to fulfil this pledge.

The executive of the Trades and Labour Congress of Canada issued the following statement when we heard of the reorganization of the National War Labour Board:

The Trades and Labour Congress of Canada is pleased to receive the information of a change in the personnel of the National War Labour Board. The secret and hole-in-the-corner methods followed by the past Board did not inspire confidence, and distrust and dissatisfaction became general. The change in policy, as expressed by the new Board to give greater publicity to the work of the Board is a welcome change and will be well received by the workers of Canada.

Organized labour asks for nothing more than a square deal and a fair decision that has been determined in a straightforward above-board manner. Not having anything to hide, we have no complaints with decisions that are made in this manner.

Therefore, the organized workers in the Dominion of Canada welcomed the declaration from the present Board of its intention to hold an inquiry and we trust that arising out of your deliberations we can arrive at some decision which will bring about a solution, if not completely eliminate the causes and sources of friction that now exist. We wish to point out that it is impossible, owing to the time at our disposal, to cover all the causes of industrial unrest, but we hope that this brief will help to bring about unity of all classes, which is imperative when we realize that we are fighting for our very existence.

Hard fighting lies ahead of our troops. They must be sustained by superhuman efforts on the production lines, and we believe that this committee, through its recommendations, can evoke an enthusiasm and lift the hearts of our workers at a very psychological moment, at a time when our military leaders are on the verge of beginning a great push for final victory.

We feel that it is necessary to emphasize the fact that the situation throughout the country with respect to labour relations is rapidly approaching a crisis. Furthermore, we believe that the federal government recognized this fact when it reorganized the National War Labour Board. The very fact that the recently established War Labour Board has called this public inquiry shows that it is greatly concerned and realizes the danger that is facing us here.

We have pointed out that in such a mechanized war as we are now engaged in, two armies must be maintained, our armed forces and our industrial army which must supply the armaments, equipment and transportation on time if the sacrifice and courage of our armed services is to be effective. Labour wants to do its full share. Repeated requests were made for equal representation with employers on all government War Boards, both administrative and advisory. While we have received from the Prime Minister definite promises at our last two annual interviews that this condition would be changed, a perusal of the evidence later submitted in this memorandum will conclusively show that nothing has been done in this direction. Doubts have been raised in the minds of many if the influential personnel on the Boards of Directors on the crown companies that have been set up are really under the control of the elected representatives of the people, and have not actually become stronger than our government.

#### *Cost of Living Index*

Due to the time we had at our disposal in preparing this brief, we do not feel that we can deal here to-day on this all important matter. We are still getting together statistics and would like permission to submit them to the Board at a later date.

#### *Cost of Living Bonus*

We appreciate the amendment made to Order in Council P.C. 5963 by Order in Council P.C. 11096, December 10, 1942, which allows the paying of cost of living bonuses to municipal employees providing the consent of the provincial government concerned is secured. We think that it should be further amended to enable every worker in the Dominion to receive the full cost of living bonus. In our opinion we cannot understand why any worker should be denied this. If the government is sincere in wanting to maintain industrial peace, it should immediately provide machinery to see that everyone receives the full cost of living bonus.

The CHAIRMAN: I wonder if I might interrupt you for a moment on the cost of living submission. Do I take it to be your suggestion that assuming the cost of living bonus as based on the 1939 index is \$4.25, that should be made uniform?

Mr. BENGOUGH: We think so, yes.

The CHAIRMAN: I suppose that would mean a revamping of the whole situation as set up in P.C. 8253, where the basis was made either August 1939 or the date of the last general increase.

Mr. BENGOUGH: Yes, changes would be needed there. We think they are needed there. There are many who have suffered from it.

The CHAIRMAN: I suppose the answer to that would be that there have been some increases which moved in the direction of taking care of that, but they are not reflected in the actual cost of living bonus paid. For instance in some industries it may be that the cost of living bonus is \$1.50 based on a certain month; would it not be contended that the reason for its being \$1.50



is that there were compensating changes or increases in the wage rates, in other words that in the \$1.50 that you find indicated against the cost of living bonus there is a wage rate as well?

Mr. BENGOUGH: We think the question of the cost of living bonus is a separate department, and it is a question where there is an increase in wages as to why it was made. There is a question whether it should have any bearing on the other at all. Many of these wages were subnormal under any situation.

The CHAIRMAN: I suppose if you go back and look into it you will find under P.C. 7440, dated December 1940, which established the cost of living bonus, that it was only made optional, that is, the employer could pay or did not need to pay. Then under P.C. 8253, which came out in October or November 1941, the cost of living bonus became compulsory on the basis that the Board might determine, having in mind the circumstances.

Mr. BENGOUGH: In many instances the basis that was used in P.C. 7440 was a far more fair situation, but in the building and construction trades there was a conflict of ideas, even among our own people. It should have been revamped, because there were some organizations where there was employment which resulted in their receiving a higher standard than they were receiving at the time the other order in council came in. There were some complications that I have been hoping would be ironed out.

Mr. COHEN: You mean a high standard in the cost of living bonus?

Mr. BENGOUGH: Yes, in some plants a man working on the same work got an increase and others did not. In some cases it resulted in confusion.

The CHAIRMAN: There is no question about the confusion, but I am wondering if it is possible to work out just what you are suggesting here. You may have cases of employers paying less than the 1939 cost of living bonus, and they would probably put their position on this basis, that certain wage increases were compensating for that. I recognize as you do the difficulty of construction, but I am wondering just what is the proper method of straightening it out. You put it very simply here.

Mr. BENGOUGH: The cost of living should be kept separate.

Mr. COHEN: The question the Chairman posed for you is this. Assuming that since the outbreak of the war wage increases were granted as between the two parties, employer and employee, to indemnify the worker for the cost of living, does that not interfere with the proposal that it should be made uniform as between all parties?

Mr. BENGOUGH: If the increase came under that basis, that might be so. They might use that argument, but in many cases the increases were justified under any conditions.

The CHAIRMAN: I suppose it really depends on the facts. There may have been increases of what you would call substandard wages, but there may also have been increases of reasonable wages to compensate for the increased cost of living. It is difficult to find the combination.

Mr. BENGOUGH: It is not quite so clear. In some instances I think it would be found that wages had been increased because they were low and needed raising.

Mr. COHEN: As wages?

Mr. BENGOUGH: Yes, as wages, particularly in the lower brackets. Under those conditions I think they are entitled to a full cost of living bonus, which they are not receiving to-day.

The CHAIRMAN: I am sorry to interrupt you; go on with the question of wages on page 5.

Mr. BENGOUGH: (reads):—

*Question of Wages*

We do not agree with the position taken that reasonable increases in wages automatically result in inflation of prices, and were that partially true it would provide no justification for the drastic regulations incorporated in Order in Council P.C. 5963. This Order in Council should be amended allowing the National and Regional War Labour Boards to render more liberal interpretations of the provisions of this Order in Council where circumstances justify such action and certainly where workers are earning less than twenty-five dollars per week or fifty cents per hour and in our opinion the above mentioned figures should be the wage floor of the workers and they should not be restricted by legislation from negotiating and securing an increase in their wages to this rate.

The CHAIRMAN: I wonder if we may examine that statement for a moment. In that paragraph are you not making two different suggestions, one that there should be a floor up to the amount of \$25 a week or 50 cents an hour; the other that there should be free bargaining?

Mr. BENGOUGH: Yes, there are two suggestions.

The CHAIRMAN: That would obviate, or would it in your view, the worker in that class having any right to cost of living bonus? In other words he is simply left free to bargain as he pleases; and the cost of living bonus becomes applicable when the rate gets above \$25 a week or 50 cents an hour.

Mr. BENGOUGH: We intend to suggest the two. The cost of living bonus is a separate issue.

The CHAIRMAN: That is what I am trying to find out. What is your idea in establishing a wage floor, and has that anything to do with the cost of living bonus?

Mr. BENGOUGH: No.

The CHAIRMAN: You think they should not be hampered?

Mr. BENGOUGH: They should not be hampered in negotiations to get or receive \$25 a week. The government itself set that figure and we took it. That is the only reason we took it, and we do not think it is enough.

The CHAIRMAN: They took it as the example in P.C. 7440.

Mr. BENGOUGH: Yes, and we accepted it on that basis. There are lots of people getting below that, but we do not wish them to be hampered in securing it.

The CHAIRMAN: It seems to me you are raising another question. You are urging that the order in council should be amended to allow the Boards to render a more liberal interpretation. The matter is controlled pretty well at the present time by section 25.

Mr. BENGOUGH: We think we should have it in all cases, that is that the Board should be free to use its own discretion in raising wages where in their opinion they consider it necessary.

The CHAIRMAN: In other words you think that the standard that is used in the same or a similar industry in the same or a comparable locality is too narrow?

Mr. BENGOUGH: I do, yes.

The CHAIRMAN: Then what is your suggestion as to that?

Mr. BENGOUGH: I think that in many lines of industry in some provinces where particularly low wages are in effect the Board should be able to raise



them and say that because they are lower than in other parts of the dominion they are entitled to the same money, with the idea of making uniform wages for the same work.

Mr. COHEN: That is, you consider substituting the judgment of the Board as to what is fair and reasonable for the formula laid down by section 25?

Mr. BENGOUGH: Yes, we think there should be a more liberal interpretation from the Board. That opens up quite a field, but there is in our opinion a lot of injustice.

The CHAIRMAN: You are advancing the proposition for low wage raising?

Mr. BENGOUGH: Yes.

Mr. COHEN: Or industry?

Mr. BENGOUGH: Yes, low wage industry comparable with others.

The CHAIRMAN: But you do not offer any alternative, only a general discretion.

Mr. BENGOUGH: That is all we can offer on that.

The CHAIRMAN: I am sorry; go on with your brief.

Mr. BENGOUGH: To continue:

Again in seasonal occupations and in those in which irregular employment is customary, cost of living bonus should apply on overtime work so as to compensate for the reduction in the cost of living bonus made for short time or unemployed periods and there should be an enforcement of the principle of equal pay for equal work for male and female employees.

The CHAIRMAN: On that question, the principle of equal pay for equal work for male and female employees, do you mean immediately on employment, or that there should be a period of apprenticeship?

Mr. BENGOUGH: I do not think there should be any more in one instance than in the other. If there is a period of apprenticeship for male labour, there would be no objection to putting in the same for female labour. Generally to-day the women are doing a full day's work, and we think they should receive the same wages for work performed.

The CHAIRMAN: Yes, I understand that, but I am trying to think out some application for the principle. It is a little difficult, is it not, to ask an employer who is bringing in female employees to do that with the idea that they are going to take the place of males and do the same comparable job. I understand the principle, but from a practical point of view how is a start to be made?

Mr. BENGOUGH: In a number of industries they have a period—

Mr. COHEN: The Chairman is asking should there be a distinct waiting period, so to speak, for women as well as men.

Mr. BENGOUGH: If there is a waiting period for men then it is quite all right, but we do not believe they should have to wait because they are females. I think they can catch on just as aptly as the male can.

The CHAIRMAN: I take it your suggestion is that all should go through the same period as helpers and that sort of thing.

Mr. BENGOUGH: It varies with different industries.

The CHAIRMAN: I suppose there are some of the industries in the lighter production class where women might be more efficient than men.

Mr. BENGOUGH: Yes, in some I think so.

The CHAIRMAN: And in some of the heavier ones they would take longer?

Mr. BENGOUGH: Yes, but what we object to is that they are paid less because they are females. (Reads):—

We would ask for some modification in the application of its regulations by the Wartime Prices and Trade Board, particularly in such occupations as barbering. The arbitrary fixing of prices in such service trades is a straight freezing of wages and in the lower price shops, at substandard levels. Certainly allowances should be made that would allow the wages of those in the service trades to be stepped up sufficiently to meet the increased cost of living.

What we have in mind there is that in all of these things we have mentioned pretty well the only thing that is going into it is labour, and in fixing the price you are fixing the wages automatically. That is, it is not a question of supplying any other lines of industry; it is only service.

The CHAIRMAN: Merely a question of service.

Mr. BENGOUGH: We think there should be an allowance made so that they could at least take care of the increased cost of living to secure an increased price in that direction.

Mr. COHEN: While you fix the price of services you are fixing the wages.

Mr. BENGOUGH: Yes, automatically. We think that is what is done, and there should be some change there.

We request that special consideration be extended to need of investigating the rates of wages and standards of living in what has been termed the non-essential industries that may be curtailed or eliminated. In the transference of such workers care should be taken to safeguard, as far as possible, wage rates comparable to those received in the regular occupations.

In our opinion there is the need for an upward revision of low class wage earners and also for the recognition of the principle of increased wages with increased production, to maintain a decent Canadian standard of life in the face of a rising cost of living and taxation, and to meet the justified demand of the workers that they should receive some benefit from the tremendous increase in production to enable the workers to accumulate some modest savings against the post-war period.

#### *Lack of Labour Consultation*

Order in Council P.C. 2686, June 19th, 1940, established a National Labour Supply Council consisting of six representatives each of industry and labour, as amended by Order in Council P.C. 552, January 24th, 1941, to advise on any matters touching labour supply for industry which may be referred to it by the Minister of Labour.

We state without fear of contradiction that this Council was not allowed to function and to properly demonstrate its value; that oftentimes it was not consulted on matters vitally affecting labour and that its advice was rarely accepted. This is fully demonstrated as contained in the proceedings of a meeting of the officers of the Trades and Labour Congress of Canada, its members on the National Labour Supply Council and the general representatives of its affiliated International and National Unions, held in the city of Ottawa, November 13th, 1941. (See Exhibit No. 1, Government Wage Control and Related Matters, page six.) The following is quoted:—

This conference, after hearing a statement from President Tom Moore and the representatives of the Trades and Labour Congress of Canada on the National Labour Supply Council relative to the manner in which the subject matter of Order in Council P.C. 8253 was brought to their attention by the Prime Minister and the Minister



of Labour, are fully satisfied that there was no adequate consultation afforded labour as represented by the Trades and Labour Congress of Canada to properly place the views of the workers before the government. In view of this fact, this conference registers its vigorous protest against the public statement made by the Minister of Labour in his radio address on Thursday, October 23rd, when he implied that proper consultation had taken place.

This conference further expresses its regret that any representative of the government should create such a misleading impression in the public mind that labour had in any manner been a party to the formulation of the policies incorporated in Order in Council P.C. 8353.

Again, on page ten is found the following:—

The conference considered that the National Labour Supply Council was not functioning as had been expected, but that in many instances it had been used to mislead the public as to the attitude of organized labour respecting the government's labour policies and in that way the members acting thereon had been placed in a false position. This opinion was expressed in the following resolution which was unanimously adopted:

Whereas, The National Labour Supply Council was created by Order in Council P.C. 2686 of June 1940 by the present government for the purpose of acting in an advisory capacity regarding matters affecting labour and industry during the war emergency; and

Whereas, many questions of national importance have been referred to this Council for advice, and in many instances other matters of equal or greater importance have been dealt with in other quarters and the National Labour Supply Council ignored; and

Whereas, generally the advice and recommendations of the Council have not been accepted by the government or its ministers, which indicates that its services are evidently of no value as further demonstrated by the manner in which Order in Council P.C. 8253 was enacted.

Therefore, be it resolved, that the representatives of the affiliated organizations of the Trades and Labour Congress of Canada herewith request that the Order in Council under which the National Labour Supply Council was established, be revoked.

The National Labour Supply Council was abolished on February 24th, 1942, by Order in Council P.C. 1426 after the National War Labour Board was established. From that date to the present, practically all semblance of consultation with labour was discontinued, although numerous Orders in Council directly affecting the lives and employment conditions of the workers of Canada were put into effect.

There is no other country among the allied nations that has slighted organized labour to the extent carried out in Canada. We hope and expect that in the interests of securing a better spirit of unity and a more co-operative understanding between the government and labour that this undesirable state of affairs will not be allowed to continue. We are, however, convinced that if more attention had been paid by our government to the repeated requests of this Congress for equal representation with employers on all government War Boards, instead of receiving their offers with misgivings and mistrust, far more confidence in the government would now exist in the minds of the workers. Surely, your Board

must realize that it is one of the chief responsibilities of any government to-day to exert every effort to build up a spirit of enthusiasm and confidence throughout the vast army of workers in order to maintain production at the highest possible point of efficiency absolutely imperative for a total war effort. A perusal of those appointed on all of the War Boards by our government demonstrates that labour has been almost completely ignored. (See Exhibit No. 2, pp. 82-102).

Dealing with War Boards and labour representation on them I would mention the Aero Timber Products Limited; there is no labour representation whatsoever on that particular board; Allied War Supplies Corporation, no labour representation; Atlas Plant Extension Limited, no representation at all. In Great Britain you find that labour has equal representation on all such production boards. In one instance we had just a year or two back, a representative of the British Trades Union Congress came out here, and he was the chairman of the Tank Production Board in Great Britain. All of these companies when they are set up to run a business can be either friendly or hostile to labour, and in most cases I regret to say that they have been hostile and have endeavoured to bring into effect company unions in a government-owned plant financed by the people generally. We claim that the workers are not only providing the labour on these jobs but also a considerable amount of the capital as well, because these companies are operated by public financing; but even if they were not we would claim we had the right of equal representation on these boards. The fact remains we have little or none. Many of the employers are not even efficient and have little or no knowledge of the industrial world.

We have the Citadel Merchandising Company, Limited, no labour representation. Cutting Tools and Gauges Limited, no representation. Fairmount Company, Limited, Federal Aircraft Limited, the same. There are thousands of workers in these industries that should have some sort of equality with industry but in many cases so far as the management that has been put in is concerned, and the board of directors, they have never had any previous experience in the particular business they are directing. In the case of Wartime Merchant Shipping, none of them had any previous experience. If they had been shipbuilders that would be some justification for putting them in, but the real shipbuilders have not been taken into camp. We think we are entitled to equal representation on all these companies and boards. Then there is Machinery Service Limited, Melbourne Merchandising Limited, National Railways Munitions Limited, Park Steamship Company, Limited, Plateau Company, Limited—none of these have labour representatives. Then there is the Polymer Corporation Limited.

The CHAIRMAN: There is a labour representative on the board of directors of Polymer.

Mr. BENGOUGH: Yes.

The CHAIRMAN: You also have one on the Toronto Shipbuilders.

Mr. BENGOUGH: Yes, but that is all, out of quite a number of companies.

The CHAIRMAN: I cannot think of any more.

Mr. BENGOUGH: Yes, there is one on Wartime Housing Limited. There is one on each of those three boards. Then there is the Toronto Shipbuilding Company, Limited, and the Wartime Housing Limited. There are hundreds of employers mentioned in that book. Of course it is one of the Canadian Manufacturers' publications and I presume when they publish it they are proud of it.

Mr. COHEN: You think they are bragging, not confessing.

Mr. BENGOUGH: I think they have something to brag about. We would like to get in there a little.



Dealing with Wartime Merchant Shipping, there are 75,000 employees under that board. I have found from my own experience that when the Labour Department goes to see the management of those yards they will give them a very attentive hearing, but when the representatives of Munitions and Supply go there, the representative of the people, who will say whether the work they are turning out is all right, the fellow who is going to decide whether they will have any future contracts and who makes out the cheque for them, gets considerably more attention. We consider that labour is entitled to equal representation with employers on these government-owned companies financed by public funds.

It is a deplorable fact that little or no recognition has been given to labour on the many directorates administering the war-time production industries financed, controlled or operated by the government, or on the many other bodies established to initiate and enforce policies vitally affecting the every day life and well being of the workers as wage earners. We are attaching a copy of one such board, namely, the Wartime Merchant Shipping Limited, which is one of the largest, if not the largest, Crown company in Canada to-day. (See chart following this page.)

Once more we reiterate our request for labour representation on all war boards, both administrative and advisory. We again emphatically state that many misunderstandings and mistakes which have arisen could have been avoided had government and labour been working together for the common good as labour desired.

I can assure you that from British Columbia there is not a shipbuilder or one that had any previous experience in the building of ships, and there is no labour representation whatsoever, so we wonder what it is all about. I can give a history of a lot of them but I do not think I need do that. I do make this statement, that people who have not been considered friends of labour are at the head of them, and we wonder why.

### *Conditions Affecting Labour*

We have the situation on the Alaska Highway where Canadians are not allowed to be hired by American firms. Here we have Canadians working on the same jobs as the American workmen but receiving a considerably lower scale of wages. A short time ago the Minister of Labour, Hon. Humphrey Mitchell, made a statement that an agreement had been reached concerning the hiring of Canadians by American contracting firms and that labour conditions in Edmonton and district were "hitting on all six."

But what is the real picture? The agreement reached is but a small concession was granted whereby in the case of emergency a Canadian can be hired for a period of thirty days, but we can state here that there is not a contractor that will employ a worker on the northern project for thirty days, as it takes a week to get to the job, and a week to return, which only leaves two weeks to actually work on the project. No contractor is going to hire men under these conditions, and therefore the prohibition of Canadians on American projects is just as effective as ever. This not only affects labourers, but also the skilled trades, as is borne out in the correspondence which we have received from the various unions involved, namely, bridge, wharf and dock builders, carpenters, mechanics, truck drivers and clerks. All over the west this situation is causing unrest and at any time a series of strikes is liable to break out that might hold up this vital work.

I may say also from my own observation that in the city of Edmonton in consulting with some of the contractors up there, on some of these jobs they never had any labourers at all. They were all upgraded. They had assistant foremen,

foremen and superintendents, as it was the only way for them to get help to get the job going and keep it going. That was the reason for the upgrading, on account of the restrictions in effect that they could not pay certain wages to Canadians. Here was a case where one section of the road was laid by an American contractor, the next by a Canadian and the next by an American, and so on all along the line. The charges varied considerably from one section to another. In some cases the amount received for the services rendered was twice as much.

In our opinion this regulation depriving Canadians of the right to hire out to the best paying job available is the negation of democracy and we hope that this Board can find ways to order this being rescinded.

A serious situation also exists in Alberta where the War Labour Board have adopted a system of a sliding scale of wages for carpenters and joiners. The wages are seventy to ninety cents per hour. We can definitely state here that this is not a policy which will promote harmony and in our opinion is setting up a dangerous precedent and if allowed to continue, will be taken advantage of by unscrupulous contractors, causing dissatisfaction on jobs from start to finish.

Another example is the dispute between the Canadian Marconi Company Limited and its employees, who are members of the International Brotherhood of Electrical Workers. We are submitting a copy of the memorandum dealing with this matter. (see Exhibit No. 3).

We could cite numerous examples but we feel that the above three are sufficient to make the Board realize the necessity of something being done.

The CHAIRMAN: Where is that exhibit 3—in the back of the book?

Mr. BENGOUGH: Yes, but dealing with the situation at the Pacific coast and the trouble that arose in the shipyards there. It is mentioned in this book—The Canadian Congress Journal, issue of August 1942, page 43. If that is a matter for discussion it can be taken out. It is not typewritten yet. On the first day it was suggested that some of the things that have happened should be reviewed with the idea of guarding against such things in the future.

The CHAIRMAN: We have that in the book here.

Mr. BENGOUGH: The memorandum continues:

### *Recognition and Enforcement of the Right of Collective Bargaining*

We note the provisions contained in Order in Council P.C. 10802 and feel sure that its operations will remove a considerable amount of the friction and dissatisfaction between the employees and management of Crown Companies. However, we do regret that changes were made in the original draft of the Order in Council eliminating from its provisions the National Harbours Board and the Canadian Broadcasting Corporation.

We request that these operations be brought under the provisions of Order in Council P.C. 10802, or some other legislation should be enacted extending similar protection to the employees of these government-controlled operations in conformity with the policies of the government as laid down in Order in Council P.C. 2685.

There is no question but that the frustration and interference of the employees' right to organize and bargain collectively through their chosen representatives is a state of affairs that should not be permitted in a democratic country at any time, and when such practices are permitted to occur during a war period they become an actual menace. When hostile employers use such tactics it is in effect a representation of the very things we are waging a war to destroy.



The results of such interference to-day are weakening the morale, enthusiasm and confidence in the government that the workers of this country should and must have to give the utmost in productive efficiency. Good government will not allow its continuance. This has been recognized by many of our provincial governments who have introduced or are introducing acts of parliament to protect the rights of the workers in this respect.

It is our considered opinion that the Dominion government should not lag behind the provinces on such an important issue, but should at once enact a Federal Act guaranteeing the right of employees to organize and bargain collectively through the medium of the chosen representatives of their trade unions. We are therefore submitting what in our opinion such a bill or act should contain.

A collective bargaining act must be first of all an act which guarantees in explicit terms, freedom of association and self organization by workers without intimidation and without coercion and without discrimination; without restriction or exercise of influence of domination by employers. If there is to be any hope of effective and genuine collective bargaining, freedom of association must be put beyond dispute. Collective bargaining presupposes that there is collectivity or organization of workers, and hence adequate assurance for organization must be given.

The assurance of freedom to organize must be given to all employees be they manual, clerical, technical or professional workers. Agents of employers or persons on any employer's payroll having power to hire and fire, should be excluded from the category of employees to whom collective bargaining benefits are to be extended.

A collective bargaining act should bring within its scope all employers engaged in any industry, trade or business, in the Dominion, as well as municipalities, school boards and other such public bodies.

The term "collective bargaining" should be defined with some precision. At the very least, it should include negotiations by an employer in good faith with his employees as a group, on matters relating to wages, hours and conditions of employment, with intent to reach an agreement for some fixed period of time.

An enforceable legal duty should be imposed upon employers to bargain collectively with the representatives of that organization of their employees which, being properly ascertained, is entitled to represent them for that purpose. To allow employees to organize and to be represented by representatives of their own choice has very little meaning from the standpoint of industrial peace unless the employer is compelled to recognize and bargain with them. It is the absence of any such duty, under the law as it stands, and the refusal of employers to subscribe to such a duty as a matter of practice, which has been the stumbling block in the achievement of mutually satisfactory relations between employers and employees under the terms of collective agreements. The legal duty to bargain collectively with employees should not be affected by the existence of any strike or lockout. The employees do not cease to be such merely because a strike or lockout is in existence and moreover, collective bargaining would be a major factor in ending any such dispute.

A collective bargaining act should provide for the determination of the collective bargaining unit in any plant or industry. This may, as a practical matter, depend on existing bona fide employee organization in any plant or industry, or on the way in which a plant or industry lends itself to collective bargaining in the best interests of employers and employees, and above all, of industrial peace. At all

events, flexibility should be maintained so that the collective bargaining unit may be a craft or trade within a plant or all the production employees of a plant, or all office and production employees of a plant, or perhaps, all employees of several plants owned by the same employer. In the final analysis, determination of the collective bargaining unit must be a matter of common sense.

Provisions should be made for taking a vote, if necessary, of employees within any fixed collective bargaining unit, in order to determine, whenever such determination becomes necessary, their choice of representatives for collective bargaining. The vote should of course, be by secret ballot, under impartial auspices and care should be taken that in determining the eligibility to vote of employees within a bargaining unit, any employees who may have been discharged, locked out, shifted or demoted in violation by the employer of his duties under the proposed act, should be permitted to participate in the election.

It should not, of course, be necessary to take a vote if the employer agrees to bargain collectively with a trade union properly claiming to represent his employees, unless objections are raised to the right of the trade union to represent the employees or to the scope of the collective bargaining unit, if this latter problem bears on the propriety of the trade union's claim to be the collective bargaining agency.

Collective bargaining rights within any collective bargaining unit, should be given to the representatives of the majority of the employees within the unit. Political democracy proceeds upon the basis of majority rule and no different principle can be legitimately invoked in industrial democracy.

Collective bargaining rights so given should be exclusive. There can only be one collective agreement in any collective bargaining unit. We invite chaos and insure the defeat of the purposes of collective bargaining, unless we make collective bargaining rights exclusive for each collective bargaining unit.

Where exclusive collective bargaining rights are awarded to a particular trade union because it represents a majority of the employees in the collective bargaining unit, it may be desirable to certify to that fact. The certification should be valid until successfully challenged, but at all events, for some fixed period, say, for one year from its date.

Yellow dog contracts should be made unlawful and unenforceable. Such contracts should include for the purpose of the proposed act, not only contracts by which individual employees agree not to join or to resign from some trade union, but also any arrangements between an employer and any employee which would be inconsistent with the rights given by the act. In other words, we suggest that it be made impossible legally, to contract out of the benefits of any proposed act, just as it is impossible legally to contract out of the benefits of the Workmen's Compensation Acts.

Only bona fide trade unions or genuine employees' organizations should be accorded benefits under any proposed collective bargaining legislation. We are firm in our view that that counterfeit species of so-called employee-organization, usually known as the "company union" (and also known as a plant council or works council, or employees' committee), should be denied any standing under a collective bargaining act. The company union (the phrase incidentally is a contradiction in terms) is a device for forestalling or undermining genuine trade union organization. In one aspect, it is the application of the principle of the yellow dog contract on a large scale.



The CHAIRMAN: Before you go all through those items, you are using the words "company union" as pretty much all-inclusive. There are such organizations as volunteer associations without any pressure, coercion, discrimination, support or anything of the kind from the employers, set up by the employees themselves. That is not the type of union to which you refer?

Mr. BENGOUGH: Not if there are any like that.

The CHAIRMAN: Are there? I am under the impression that there are some.

Mr. BENGOUGH: I have had my doubts. It is pretty hard to tell.

The CHAIRMAN: Yes, I know.

Mr. BENGOUGH: There is new legislation in British Columbia which covers it. I suppose if the employers are not financing it or taking any part in it we would have no objections, but it was the idea in requesting such legislation that all employees should have a chance of choosing the particular organization they wish to represent them. After all there are a number of these organizations now called inside and outside, and other types that present an opportunity to them which if they were not invented by the employers, if they were not actually the mother and father of them they certainly had some hand in bringing them into being.

The CHAIRMAN: Of course, that is the situation I am wondering about. You say that the "yellow dog" contracts should be outlawed. I suppose they have been in some countries, for instance under the Wagner Act. It is not nearly as prevalent in recent years as it used to be.

Mr. BENGOUGH: It is outlawed very successfully in British Columbia and by the recent Ontario Act.

The CHAIRMAN: Yes, and then you go on from there to develop it to this point of outlawing the company union. That is the point I am really coming to in asking how one is to define such a union.

Mr. BENGOUGH: It is defined as one in which the employer is assisting in financing. It is set out in the proposition we have before you.

The CHAIRMAN: You say as long as it is a union which received financial assistance from the employer.

Mr. BENGOUGH: Or domination in any other way. If you go through the constitution of a number of these inside organizations you will find it is set out that they have to have the approval of the management in the electing of representatives. Such organizations have no justification; they were brought into being to avoid everything which the trade union movement was formed to bring about. That is the purpose of them.

The CHAIRMAN: There is another subject which the employer always brings up in connection with a matter of this kind, and that is where there is a collective bargain made and a contract which is later breached during its term by disturbances of one kind or another. He says they provide sanctions against him but do not provide sanctions against either the union or any individuals on the other side that would outlaw breaches or strikes.

Mr. BENGOUGH: The question has been whether the union or the workers have broken the agreement. I can produce equally as many employers who have broken signed agreements.

The CHAIRMAN: I have no doubt about that.

Mr. BENGOUGH: And others by employees. We do not agree with either of them breaking it. We think an agreement is a sacred thing and should not be broken.

The CHAIRMAN: I suppose these things happen, but we cannot condone them.

Mr. BENGOUGH: I do not think the old established organizations that have been doing business by agreements for many years have been breaking them, but it has possibly happened with new organizations.

The CHAIRMAN: What you are proposing would not apply to the old organizations but to the new ones?

Mr BENGOUGH: They would soon get old; they would grow up. The memorandum continues:—

It is essentially a parasitic organization enjoying and feeding on the gains of genuine trade unionism and seeking to camouflage its real purposes by imitating trade union organization and techniques. It comes into existence under the inspiration of the employer and is influenced, dominated or supported financially and otherwise, by him. It is not truly a worker's organization; it has no real power to make its own decisions and the scope of its activities is subject to the employer's whim. A collective bargaining act cannot by its very nature, if truly a collective bargaining act, give any status to any group of employees in the organization and activities of which the employer is directly or indirectly concerned. We cannot have true collective bargaining between an employer and his shadow. Of course, the question has been raised, suppose the majority of employees vote for a company union? The answer is that since a company union is a negation of freedom of association and of the right of self organization, a vote for such an agency is not a free vote; but one which partakes of the nature of a Hitler plebiscite. Any employer who subscribes to genuine collective bargaining cannot unashamedly underwrite a company union. Collective bargaining is a procedure by which the workers express themselves through representatives of their own choosing, not through representatives which are selected or nominated or approved by the employer.

Trade unions should be freed from the effect of the common law doctrine of restraint of trade. This doctrine was developed by the English courts over one hundred years ago, under the influence of a social and economic philosophy which is no longer with us. The effect of the doctrine is to place many trade unions under civil disability. The doctrine has persisted because it became a precedent which the courts felt obliged to follow. Public policy has changed since the doctrine was established and it is an anachronism in present-day law. Refreshingly enough, the doctrine of restraint of trade never took root in the United States. It was finally abolished by legislation in Great Britain in 1871. It is high time Canada took the same step, so as to bring itself into line with Great Britain and the United States.

Trade unions should be protected from legal proceedings which may be instituted as a result of the acts of any of their members done in connection with or arising out of any labour dispute. The individual members themselves must of course accept responsibility for their acts, but we cannot but be apprehensive that trade unions may be overwhelmed by litigation which may threaten their security. The experience in England indicates that protection against lawsuits is necessary if trade unions are to be free to carry out their functions in the interests of their own members, and of peaceful labour relations. Protection against legal proceedings was given to English trade unions in 1906, and the Trades and Labour Congress of Canada is of the opinion that similar protection should be afforded to trade unions in Canada.



In order effectively to guarantee the rights which a collective bargaining act should properly give, employers should be prohibited from engaging in activities which would result in the denial of such rights. Thus, it should be provided that employers are prohibited from interfering with or denying to employees freedom of association or the right to self organization or to collective bargaining. They should be prohibited from interfering in any way whether directly or indirectly, with the formation, operation, and administration of any trade union or organization of employees. They should be prohibited from interfering with or discriminating in favour of or against any labour organization, or in favour of or against any person in regard to employment for the purpose of contravening any of the rights given to workers and workers' organizations.

It would be necessary, in view of this last mentioned proposition and in view also of the suggestion for outlawing yellow dog contracts, to make an exception in favour of the right of the employer and of the collective bargaining body mutually to agree to a closed shop, union shop, preferential shop or maintenance of membership clauses; otherwise, these various arrangements would be inconsistent with some of the suggested provisions of a proposed act. The Trades and Labour Congress of Canada is not asking for the closed shop or any similar type of shop organization, but its position is that an exception in favour of such arrangements where made by mutual agreement, should be allowed. This is recognized in British Columbia, Alberta, Saskatchewan, and in the United States.

We propose, of course, that penalties be provided for any breach of the duties imposed upon the employer. But, we do not consider that the imposition of penalties is necessarily a satisfactory method of securing the objectives. It is our opinion that such an act should provide for remedial action in at least three respects:—

- (1) By enabling a direction to be given for reinstatement of employees who are discharged, suspended or demoted in contravention of the provisions of such an act;
- (2) By enabling a direction to be given for payment of back pay to such employees;
- (3) By enabling a direction to be given for the disestablishment of company unions.

Only by provision for such positive remedial action can there be an effective guarantee that the terms of an act will have real meaning.

A proposed collective bargaining act in the terms which we have suggested should also contain rules of procedure. It is extremely important in such an act that no undue delay take place in the granting of relief or in the enforcing rights which are granted. The Trades and Labour Congress is of the opinion that time limitations should be fixed within which the machinery of the proposed act should be put into operation. It is suggested that action upon any application under the proposed act should be initiated within fifteen days and should be concluded within thirty days.

The CHAIRMAN: I think before you go on to the next paragraph this would be as good a time as any to adjourn. We will resume at 2.30 p.m.

The hearing resumed at 2.30 p.m.

Mr. BENGOUGH: I will continue, Mr. Chairman, with the memorandum:—

### *Absenteeism*

A great deal of adverse publicity has of late been given to the question of absenteeism. Numerous news items have appeared in publications both in Canada and United States on this subject. No right thinking citizen can condone a slacker at this time whether they be employers or workers. The Trade Union Movement unquestionably condemns any who would cease work for trivial reasons in the face of production needs. We cannot agree with any who would deliberately reduce their working hours for the purpose of getting into a lower salary bracket to evade taxation. However, we state very emphatically that there are very few workers who absent themselves unnecessarily.

Figures of man-hours lost have been compiled and published by those whose object has been to discredit the employees in war industries. No attempt has been made to secure a breakdown of the reasons for lost time. Poor management and inadequate safety regulations with resultant time lost in recovering from industrial accidents are probably the two major reasons for lost time to-day. The training of new workers in various lines of employment, both skilled and unskilled, oft-times working under pressure, does result in extreme fatigue in many cases.

Some of the articles dealing with the questions of absenteeism have contained the assertion that female employees were the worst offenders. One can understand a cub reporter writing such an article, but wonders how they escape the attention of those of more mature years responsible for publication. Little or no thought has been given to the thousands of female workers engaged in the various war industries in manual occupations who are continually on their feet busily engaged at times when nature demands rest. We recommend that stupid and unthinking condemnation be substituted by a sane and careful study of the question of female employment in such work. Industries employing large numbers of female employees should be equipped with adequate hygiene facilities and proper rest rooms, and provision made for the necessary rest to be taken.

### *Governmental Machinery re Negotiations and Conciliation*

Labour welcomes the recent change in the National War Labour Board, but we feel that some ruling should be made by this Board whereby Regional War Labour Boards will render decisions faster in order to alleviate the distrust in the minds of the workers through the Board's prolonging the time in rendering a decision. But we wish to point out here that a situation exists in the province of Quebec whereby, rightly or wrongly, the workers have lost confidence in the Regional Board of that province, and, in our opinion, the situation is so critical that we strongly recommend a complete change in the personnel of that Board.

We do not think it necessary to review the causes of the general dissatisfaction that existed in the ranks of labour towards the personnel of the Executive Committee of the National War Labour Board. It was not inspired. It just grew as a result of the unfriendly manner that they themselves adopted towards labour during their term of office from February 24th, 1942, until they were superseded by the present Board.

We are not unmindful of the fact that one of the members of that Executive was appointed as a representative of labour on the recom-



mendation of organized labour. However, it should be recognized that governments have oft-times made poor selections and have made changes when changes have been considered necessary. We would ask for a change in the technical advisers of the present Board. First because we admit an error in our choice. Second because we do not believe it is fair to the present Board to have to look for advice from any who have lost the confidence of those they are supposed to represent. Having lost it in their former position, it is impossible for them to regain it in the present. Further, based on the understanding that the salary paid in the former position is still being paid to them in the inferior position is a waste of public funds at a time when it is sadly needed and entirely out of balance with the services they are able to render. Solely for the purpose of securing the maximum confidence in the operations of the present Board we strongly recommend the seeking of advice on labour questions from another source.

### *Social Security*

Social security is a matter paramount in the minds of the workers. Many of them have memories of a tragic experience of being unemployed while they were able and willing to work. It is natural for them to wonder if, at the termination of this war, unemployment will not confront them again. They cannot understand why there is not sufficient for everybody in a land that can grow and produce all human requirements in abundance. We think that some guarantee should be given to all of our citizens that available employment, curtailed as a result of technical improvements, will be distributed. We believe that this can be accomplished in an orderly manner by such methods as raising the school leaving age, lowering the retirement age and reducing the hours of labour. These things can be done and standards of living can be maintained and increased so that purchasing ability will be kept up. Unless such facts are recognized and definite steps taken to meet them, the post-war period, to say the least, does not present a bright prospect. The workers realize that first we have a war to win. However, they should be given the assurance now that they are working and fighting for a better world rid of the fear of unemployment and its resultant poverty and misery.

In conclusion we desire to assure this National War Labour Board that we fully appreciate the co-operative manner they have adopted in the holding of this inquiry. We are pleased to have had this opportunity of appearing before you to place the views of organized labour as represented by the Trades and Labour Congress of Canada on the various questions contained in this brief. We hope that our submissions will be of some assistance to you in the great task you have undertaken with a view to clearing up existing misunderstandings in the field of productivity. We compliment you and assure you that you will receive our utmost co-operation.

There is one other matter and that is the memorandum which is attached to the brief dealing with Canadian Marconi Limited and showing delay that has arisen where application has been made to the Boards, and the period of time for the Board to reach a decision from May 7, 1942, when it started—and I do not think it is entirely completed yet.

## MEMORANDUM

*Re Dispute*

Between Canadian Marconi Company Limited  
and

Its Employees, Members of R.C.A.-Marconi Local 1028B, International  
Brotherhood of Electrical Workers

Affiliated to the Metal Trades Council of Montreal and Vicinity

1. May 7th, 1942—Union drive at Trenton plant of the Canadian Marconi Company started.
2. June 6th, 1942—The company circularized a notice proposing an employees' Council.
3. June 11th, 1942—The company conducted a vote of hourly-paid employees to determine if they were favourable or opposed to the setting up of such a Council. The results of the vote were 791 for, 715 against. The Marconi Employees' Council was established shortly afterwards.
4. July 3rd, 1942—The company received a letter from the Union requesting the opening of negotiations, together with a copy of a proposed contract. The company did not reply.
5. July 18th, 1942—The company signed a contract with the Marconi Employees' Council.
6. July 31st, 1942—After further repeated refusals by the company to bargain collectively with the Union, the Union applied for a Board of Conciliation.
7. August 18th, 1942—Mr. M. M. MacLean appointed B. Rose to investigate the dispute. During the investigation the company refused to consent to a vote of its employees to determine the proper bargaining agent, but consented to a Board of Conciliation.
8. September 2nd, 1942—Board of Conciliation set up.  
September 22nd, 1942—Dr. Gaspard Fauteux appointed by the government as chairman. Drummond Wren represented the employees, and Senator Beaugerard represented the company.
9. October 1st, 1942—Board held its first session.  
October 9th, 1942—Senator Beaugerard resigned from the Board in protest against an interim report recommending a vote in the plant.
10. October 21st, 1942—In spite of two appeals from the Department of Labour, the company refused to appoint another representative. Finally on October 21st the government appointed W. Merrill to act for the company.
11. At the sittings of the Board, the Union claimed that in spite of the fact that it represented a majority of the employees in the plant, the company refused to negotiate with it and requested that the Board recommend that the company recognize the union as the sole collective bargaining agent for the employees in the plant and negotiate a contract with it.

The company claimed that they were bound by the contract signed with the Marconi Employees' Council on July 18th.

The Union argued that:

- (a) The vote of June 11th was organized and conducted solely by the company and its appointees, and that the union was not even on the ballot.



- (b) The vote was preceded by a campaign of pressure on the employees in favour of the Council, together with a campaign of discrimination against union members. (Five specific cases of discrimination were cited).
- (c) The Marconi Employees' Council was conceived, financed and controlled by the company, therefore the Marconi Employees' Council could not represent the wishes of the employees, nor could a contract with it be considered valid.

The majority report of the Board of Conciliation signed by Dr. G. Fauteaux, Chairman, and Drummond Wren, member, and submitted to the Minister of Labour on November 24th, recommended:—

- (1) That a vote of the hourly-paid employees in the Marconi plant should be taken under the direction of the Department of Labour. This vote is in our opinion necessary to determine the wish of the employees, whether they want to belong to the Marconi Employees' Council or to the Metal Trades Council's Marconi Union. If the result of the ballot is in favour of the Marconi Employees' Council, the "status quo" should be maintained.
- (2) If the ballot is in favour of the Metal Trades Council's Marconi Union, this organization should be recognized as the bargaining agent in the plant and the Marconi Employees' Council should be substituted by the Metal Trades Council's Marconi Union as party to the contract with the understanding that the contract already entered into between the Marconi Company and the Marconi Employees' Council, dated the 18th of July, 1942, should be respected until its expiration, with the sole exception that members of the Metal Trades Council's Marconi Union should replace on the Grievances Committee, members of the Marconi Employees' Council.
- (3) In order to serve the best interests of the war effort, industry and labour, both parties should agree that at the expiration of the contract, its renewal or the one redrafted should be valid for the duration of the war.

13. Even though the recommendations of the Board of Conciliation were not entirely satisfactory from the Union's point of view, in particular because the Union was asked to administer a contract which it had no hand in framing, the Union immediately accepted the recommendations for the purpose of establishing proper labour relations in the plant, so that the full energies of Marconi workers could be thrown into the vital task of producing important war equipment.

14. The company rejected the recommendations of the Board (letter to M. M. Maclean of December 12, 1942.) The company, however, agreed "to give to the Employees' Council ninety days notice of dissolution as provided for by the constitution of that body and within a reasonable period after giving such notice, to take a vote of its employees so that their wishes as to a collective bargaining agency may be ascertained."

The company further stated that it "wishes to give every assurance that no coercion or intimidation will be practised by the company or by anyone on its behalf, upon any employee to persuade or dissuade the individual from associating with any collective bargaining organization whatever, nor will any form of discrimination be practised against any individual by reason of membership in any trade union."

15. The attitude of the company gave ample justification to the union for an application for a strike vote. However, the policy of the union was

opposed to any interruption of war production, even under extreme provocation; therefore the union appealed to the Department of Labour to use its influence to force the Canadian Marconi Company to respect the recommendations of the Board of Conciliation.

16. On December 29, the union was informed that "the department has exhausted all possibilities of a settlement along the lines recommended in the majority report of the Board of Conciliation." (Letter from M. M. Maclean to Raoul Trepanier.)

17. On January 27, the night shift in the Press department was abolished, allegedly because of lack of orders. Sixteen men, including the vice-president of the local union, George Pelletier, were laid off. Seniority was disregarded. A delegation attempted to see the management without result.

The Union appealed to the Department of Labour.

In connection with this case we would like to point out two facts:—

- (a) That two weeks previously, the night shift in the Press department had requested that a system of rotating shifts be introduced in the department. On that occasion the foreman threatened publicly to abolish the shift. George Pelletier acted as one of the spokesmen for the men.
- (b) That immediately before, during, and after the lay-off, the Canadian Marconi Company was hiring men for jobs which could easily have been filled by men laid off in the Press department.

18. On February 5 the secretary of the Marconi Shop Committee, Jacques Rouleau, was fired without the required seven days' notice. The reason given was "work unsatisfactory."

In connection with this case, we wish to point out that J. Rouleau had been the object of discrimination by the company before, and his case was one of the cases of discrimination investigated by the Board of Conciliation and referred to in No. 11 of the memorandum. In his minority report, W. Merrill admitted that in spite of company denials, Rouleau had been the object of "disciplinary action," though Merrill considered this action justified.

Rouleau's abrupt dismissal at this time on a trumped-up pretext of incompetency pointed clearly to a persistent campaign by the Company to weaken the Union in the plant by a campaign of discrimination and intimidation.

19. On February 8th, Phil Leventhal, a Union member was fired without seven days' notice, because he "broke a company rule." It was further explained to him that the reason for his dismissal was that in acting as the elected representative of the workers in his department, he took a grievance of the employees directly to the management instead of through the Marconi Employees' Council.

In connection with this case, we must state that:—

- (a) Phil Leventhal is employed in the Crystal Laboratory, the only place in Canada producing quartz crystals essential for our armed forces.
- (b) It is generally recognized and has been stated both by the manager of the Crystal Laboratory and the works manager that he was the best crystal finisher and inspector in the laboratory.
- (c) Certain portions of his work cannot be performed by anyone at present in the laboratory.
- (d) His summary dismissal for carrying out his duties as employees' representative is a clear-cut case of discrimination harmful to Canadian war effort, both because of its effect on morale of war workers and more specifically, because it has resulted in weeks of delay in filling orders urgently required by our armed forces.



20. On February 8th, L. D. Chassé was fired three days before his claims for back overtime pay was to come up before the Marconi Employees' Council.

21. Discrimination against Union members is not a new phenomenon at the Canadian Marconi Company. We have referred to it in No. 11 to discrimination cases investigated by the Conciliation Board. At this stage we will quote the minority report of W. Merrill, who, while opposed to Union recognition, found that:—

- (a) In the case of lay-off of Douglas McGonnigal that "he probably would have been retained had it not been that he was active in union organization and his being laid off would not appear to have been justified."
- (b) In the case of Leo-Paul Paquette that "his transfer from mechanical assembly to bench work, which resulted in a net reduction of payment, has not been proven by the Company to have been justified, and would appear to have been directly connected with the fact that he was active in soliciting membership for the Union. He should be reinstated in his former position."

22. The latest cases of discrimination were brought to the attention of the Minister of Labour by a delegation which saw the minister on February 12th. The delegation was assured that, if any investigation conducted by R. Trepanier indicated discrimination, a Commission of Investigation would be appointed by the minister.

## PART TWO

1. In connection with the discrimination cases referred to in Nos. 17, 18, 19 and 20 of Part One of this memorandum, the Minister of Labour on March 12th appointed Mr. Gerald H. Brown "to investigate the dismissal of certain employees of the Canadian Marconi Company allegedly for union membership activity."

2. In the cases of J. Rouleau and P. Leventhal the commissioner upheld the position of the Union.

In the case of Mr. J. Rouleau, the commissioner finds that the allegations were founded on fact, that he was dismissed for membership in and activity on behalf of the union.

(Letter of M. M. Maclean, April 24th.)

In the case of P. Leventhal, the commissioner reports that less severe disciplinary measures might well have been taken than the extreme penalty of dismissal. (Ibid.)

3. On April 24th a letter signed by the Minister of Labour has been directed to the Company ordering the reinstatement of Mr. Rouleau, in accordance with the findings of the commissioner, in that he be reimbursed as of February 8th, 1943, at his regular rate of wages for the loss of employment suffered by him. The minister has also suggested that the management reconsider its position with regard to the re-employment of Mr. Leventhal if that person still desires employment with the company.

4. On April 27th J. Rouleau presented himself to the Marconi plant and was not admitted.

5. On the same day the Company through the agency of the Marconi Employees' Council started passing a petition among the workers of the plant protesting Rouleau's re-employment. Workers refusing to sign were "requested" to state their reasons to the foreman.

6. On April 29th J. Rouleau sent a letter to the company informing them of his intention of presenting himself again at the plant on April 30th, in accordance with the minister's order.

7. The Company lawyer, Mr. L. A. Forsythe, replied to Mr. Rouleau as follows: That he had discussed the matter with Mr. MacNamara, Deputy Minister of Labour, on April 28th, and that "Mr. MacNamara informed me that he would like to discuss the matter with me again next week and Mr. MacNamara and I agreed that pending my coming discussion with him, no action would be taken by the Marconi Company as to the letter from the minister". (Letter of L.A. Forsythe dated April 29th, 1943.)

8. On April 30th the following telegram was dispatched to the Minister of Labour by the Union:—

Letter to hand from L. A. Forsythe, Marconi attorney, excuses company failure to rehire Jacques Rouleau according your express order on grounds of understanding with MacNamara your department. We strongly protest this tampering with ministerial order and neglect of Labour Department to inform us. Employees aware of your ruling that Rouleau must be rehired. Must warn that failure to implement order reinstating Rouleau will have serious consequences in terms of plant unrest. Is Canadian Marconi above the laws of Canada? Earnestly request your answer in time for Shop Committee meeting Sunday morning.

9. On April 26th Mr. P. Leventhal addressed a letter to the Company stating his desire for re-employment and requesting a favourable decision in his case along the lines recommended by the minister. To date he has received no reply.

### PART THREE

In connection with the Company promise to give notice of dissolution to Marconi Company Council at the appropriate time to agree to the holding of a Department of Labour supervised vote, we wish to state the following:

1. The last date for giving of such notice was March 30th.

2. On March 29th the Marconi Employees' Council addressed a letter to the Company stating that, "The employees should, and we so demand, be asked to vote now on the question of their desire to be represented by their elected representatives of the Marconi Employees' Council."

(Letter of Marconi Employees Council to Mr. R. M. Brophy.)

3. In its answer on March 30th, the Company answered that "the Company feels that it should grant the request of the Council for the taking of an early vote...upon the understanding that unless the Council receives the support of the employees, as expressed by their ballots upon the issue, the Council as such will cease to exist..." And further that the Company "will be glad to receive from the Council...their suggestions as to conditions under which the vote should be taken, the voting date and other incidental matters." (Letter from Mr. R. M. Brophy to Council.)

4. In view of the Company's breaking of its promise to the Department of Labour the Union applied for a Board of Conciliation on April 6th.

5. On April 8th, Mr. M. M. Maclean wrote to the Company as follows: 'I would strongly urge that, as promised, the Company gives the ninety days' notice of dissolution to the Marconi Employees' Council and then have a representative vote taken.'

6. On April 15th the Company posted a notice that a vote would be taken on April 21st under the supervision of a firm of chartered accountants to determine whether 'the employees wish the Marconi Employees' Council to continue as their collective bargaining agent.'

7. On the same date Mr. M. M. Maclean wired Mr. R. M. Brophy as follows: 'Regarding vote proposed for April 21st. It is the view of the department that this is unwise and not in accordance with understanding given by



company to department. In addition there is now before department application for Board of Conciliation and Investigation and until application has been disposed of . . . matters of dispute should remain unchanged as required by Industrial Disputes Investigation Act.'

8. On the same day the Minister of Labour authorized Mr. Bernard Rose as Industrial Disputes Inquiry Commissioner.

9. On April 19th at the session of the Inquiry Commission the Company again refused to have the vote conducted under the supervision of the Department of Labour with the Union on the ballot. The commissioner's report is now in the hands of the minister.

10. A telegram from the Minister of Labour to the Company failed to change the Company's attitude.

11. Being advised by the Department of Labour that it was powerless to prevent the Company from holding its one-way vote without proper supervision under conditions of discrimination and intimidation, the Union, upon advice of the department, took out an injunction on April 21st. At the date of writing the injunction is being argued in court, and the Union has subpoenaed Mr. M. M. Maclean as a principal witness. The next hearing is on May 5th.

12. It is the opinion of the Union that while the injunction prevents the Company from holding a one-way vote in the plant, a government supervised vote should be held to determine the proper collective bargaining agency."

Mr. BENGOUGH: That concludes our submission at this time, but as stated previously we are compiling not such a lengthy document on the cost of living and kindred matters.

The CHAIRMAN: There are a couple of questions that I should like to pursue a little further at this stage. One was the proposition you put forward in which you very constructively set out that the important job at the present time is to get on with the war; that it is necessary for everybody to accept a certain amount of discipline, and so forth. I should like to put this to you, and I am not insisting that you answer it now. Suppose the proposition were laid down that labour should accept during the period of war a process of compulsory arbitration of all differences. I believe that is the situation with some of your unions. I think in some of your agreements your unions deny to themselves the right to strike unless the employer refuses to arbitrate. Am I right in that?

Mr. BENGOUGH: To some extent, although I would like to say this: as we have stated already, we are opposed to strikes at this time. A number of organizations have acted differently but the question whether we are in favour of compulsory arbitration is another matter.

The CHAIRMAN: I know you would be against it as a general principle; I appreciate that. I am only wondering if it would answer some of the difficulties along that line. I am not referring to the time when a new agreement is being negotiated, but to difficulties which come up while the agreement is in effect.

Mr. BENGOUGH: During the life of the agreement.

The CHAIRMAN: You have a grievance procedure.

Mr. BENGOUGH: Yes, but no strike or lockout can take place under the terms of the agreement. That is taken care of.

The CHAIRMAN: Sometimes they do not abide by it. I am not referring to your union.

Mr. BENGOUGH: I do not know of any particular instance in which that has happened.

The CHAIRMAN: Well, that ties in with another question which you emphasize here. You are complaining of a great deal of delay in the conciliation machinery. What would be your general approach to the matter? Would it

be an idea to have boards set up on which labour would have fair representation, fifty per cent representation anyway, and which without the necessary preliminary strike votes or anything of the kind would be able to deal with the matter without delay?

Mr. BENGOUGH: That would be preferable. We want to be reasonable, and I think I know the difficulties and the number of cases the Board would have to deal with. But there must be some happy medium. It is not an isolated instance I give here of a case running for twelve months. Things could be speeded up a little more than that.

The CHAIRMAN: That is what is running through my mind. It is very hard to speed up the old machinery, is it not?

Mr. BENGOUGH: I do not know. We are living in a stream-lined age, and we may be able to do it. There is no question that it should be done. If you peruse that last document I think you will see there is no reason for the delay in that matter.

The CHAIRMAN: We are talking about the procedure under the Industrial Disputes Act. First of all you have to have a strike vote.

Mr. BENGOUGH: We want to get away from that.

The CHAIRMAN: Most of the workers may have no thought or intention of striking, and yet they have to go through that form, which it seems to me commits them to that process.

Mr. BENGOUGH: We certainly want to get away from that, because the fact that you have to take a strike vote is publicity which is used right away to say that the workers threaten to go on strike. We do not think they should have to do that. Of course some changes have been made under which the minister may in his judgment do otherwise, but it depends on how actively that is operated. We never did like the idea of having to take a strike vote.

The CHAIRMAN: Suppose the strike vote is eliminated from the conciliation machinery, and either you or the employer may apply. What is the answer? Is it the old procedure with the employer naming a representative, labour naming a representative, and their naming a chairman and thus eventually they get going?

Mr. BENGOUGH: I do not think it will take very long. We have had numerous instances of that kind and not a great deal of time would elapse before the decision.

Mr. COHEN: The suggestion is that perhaps some of the delay complained of results from the fact that you have to follow a certain routine before you bring into existence the board which is to deal with the matter. It may be that a certain amount of delay is inherent in the fact that for every dispute you have to create a board. The suggestion put to you is whether that delay would to some extent be obviated if there were a permanent board, or a series of boards already set up, to which resort could be had immediately.

Mr. BENGOUGH: I do not think we could fight with that so long as we had representation on the board.

Mr. COHEN: The next question that is implied is whether or not, as to disputes arising out of the application or interpretation of agreements already entered into, you would be prepared to accept the conclusions of such a board as binding. That is what compulsory arbitration is.

Mr. BENGOUGH: That has been put into our agreements, where it is in effect.

Mr. COHEN: It is one thing to put it into an agreement, and another thing to make it legally enforceable. What do you think? Would you consider abiding by the decision of any such board, that the decision should be final and binding?



Mr. BENGOUGH: Is the idea, as I understand it, when the board is dealing with a matter when there is no agreement in effect?

Mr. COHEN: That is another matter. We are not asking about that.

Mr. BENGOUGH: You are not including that particular phase?

The CHAIRMAN: No. I am dealing now with the time measure only. I know the position that labour has usually taken on compulsory arbitration. Labour does not like it. Therefore I am suggesting that it should be a principle, not recognized as a permanent one at all, but applicable under wartime conditions. I am thinking now of the way it is done in Sweden, where you have a labour court which has nothing to do with negotiations for agreements. That is done between the parties themselves, as you know, the employees' and the employers' organizations. If when the agreement comes in there is a question of interpretation or a question of rights of one kind or another, it is submitted to that court and the decision is final.

Mr. BENGOUGH: We are quite agreeable to that, but from then on—

The CHAIRMAN: I really do not want you to commit yourself.

Mr. BENGOUGH: I am quite agreeable to that part, but from then on—

Mr. COHEN: That is starting with the collective agreement?

Mr. BENGOUGH: Yes. As I say we have done that long ago. I do not know of any case where they have gone wrong.

The CHAIRMAN: You see what industry says, that you have entered into a collective agreement which outlaws strikes and so forth, but when they take place industry can do nothing about it. In your brief this morning you have taken the position that there should be no civil liability in so far as the trade union is concerned, no point of view of conspiracy, which as you point out is well recognized in England. Assuming, as the employer says, he wants some assurance that when the contract is made it is going to be lived up to; then when there are outlawed strikes which the union itself does not authorize or have anything to do with, he thinks something should be done in his interests to look after that situation. I think that in time it will have to be submitted to compulsory arbitration by a proper body; it may be a regional one, or a number of them, but the decision will have to be final.

Mr. BENGOUGH: When the agreement is reached there would be no objection to that course.

Mr. J. A. SULLIVAN (Trades & Labour Congress of Canada): There is only one point I would like to interject here, and that is I think collective bargaining is built on the mutual trust of both parties. You will find that every trade union upon being organized went through a period of growing pains. I do not think there was an organization born in this country that did not go through that period, and the first year or two you will see where they call strikes because the employers are generally trying to kill the organization before it comes into force. When they have an agreement in effect the representatives of the workers in their democratic function meet with the employers at a round-table conference on any dispute. It is very seldom you see an outlaw strike. I would like to recall to your mind, Mr. Chairman, because you are familiar with it, that my own organization of seamen was continually being sniped at from 1936 to 1940, and we had to use strikes. In the last strike you were the chairman of the Board; from that Board I am glad to say that good relationships came about, and from that time we have not had one day of interruption or time lost.

The CHAIRMAN: In that agreement I think you subscribed to the proposition that you submit to compulsory arbitration and accept the decision as final?

Mr. SULLIVAN: Yes. We have a board and we refer anything to it. The point I wish to make is that a dispute exists up to such time as there is an

agreement, or you get both parties sitting down to bargain collectively. The point I wish to bring out here is this Marconi matter. On the 7th day of May, 1942, the plant started to be organized, and a month after they started their organization the company set up a shop council. That was eleven months ago, and they have been through one continual struggle. There has been a board set up, one representative from the union, the International Electrical Workers, one from the company and one set up by the government. The government has brought in a recommendation that the company should sign with the international union.

Mr. COHEN: Who brought that in?

Mr. SULLIVAN: The Board established by the government. The company in the meantime, while the Board was sitting, had entered into an agreement with the plant council, and the recommendation of the Board is that the International should take this contract over and carry it until it expires. While the union does not agree with it, we felt that was all right, and then we will take a vote and if the majority of the men agree we will live up to that agreement until it expires and then negotiate for another agreement. The company say they cannot break the agreement and they will not take a vote, that they have to give ninety days to the plant council to terminate the agreement. At the present time they have not done that. Then two weeks ago the company decided to take a vote to find whether or not the employees wanted to be represented by this plant council, not whether they wanted the international union to represent them, but whether they wanted the plant council. They have had word from Mr. Maclean of the Department of Labour that the matter is before the Board and they cannot do this, but these people defy the government, and the union had to take out an injunction against their taking the vote.

Mr. COHEN: Man bites dog.

Mr. SULLIVAN: And stalling; that is right. The hearing was held in court and they had to call in members of the federal department by court law. They have to bring them in.

How are we going to have industrial peace when employers of this type are, in my opinion, putting themselves above the government of this country and its laws? I say that we have to have some machinery to bring these people to the point where they have to sit down around a table and discuss things, a war measure act or whatever it is; but certainly we must have some measure to ensure that. I would subscribe to Brother Bengough's statement. I do not think that any trade union for the duration of the war will say they are not willing to have a clause in their agreement that if there are any difficulties they will sit around the table and negotiate.

I am glad that the number of employers in the Marconi class is very small, or it would be a case of God help our war effort to-day. When we see people ordered to return to work by the government and a company working on war contracts telling the government to go plumb to the devil, it is too much. We have letters here which inform the government that there is no rush to do anything for a week or two until the minister comes back to Ottawa. There might not be any rush for the company or the minister, but that workman who has been out of work for weeks while the rent man is waiting for the rent and the grocer for his bills does not think there is no hurry.

I am sorry I put in my two cents' worth, but I thought the matter should be brought to light.

The CHAIRMAN: As you point out, your own union has had some experience with what I think may be classified as compulsory arbitration. In other words you, with the employers concerned, have agreed that where there are disputes they shall be finally referred to what is called in the agreement Maritime Judgment Boards, and you accept their decision as final. You have to go a step



farther. You are speaking now on the question of recognition, which sometimes requires that you take a vote. What would your idea be as to some board or organization being always available at this particular time during the war, to direct such votes to be taken, and giving a certificate if you like, and then carrying on as a board which would determine all questions which both parties would submit on the terms of the agreement when it comes into existence?

Mr. SULLIVAN: I would say that if, arising out of this inquiry, you can bring about such a set-up as that, then every worker in the Dominion of Canada will say that your committee has done the best job that was ever done in the dominion in bringing about a sane relationship between employer and employee, because the regional boards in the various provinces, especially in the province of Quebec, are becoming the graveyards of the hopes of the workers. Take anything up with them and they forget it.

The CHAIRMAN: Thank you. You have had your ten minutes.

Now, Mr. Maclean, a great deal of the material in your statement is necessarily statistical. Perhaps it can be arranged that the reporter can get it on the record, and there may be some part of it that you would like to speak about at the present time. Deal with it in any way you care to, but I suggest that the statistical part of it, Exhibits 1 to 5, might easily be put into the record without your going into it. Perhaps you would like to put some of the facts into the record verbally.

Mr. M. M. MACLEAN (Dominion Department of Labour): Mr. Chairman and members of the Board, you asked me to submit to the Board to-day a number of facts and material of an informative character with respect to this inquiry. These are as follows: First, the number of industrial disputes handled by the Department of Labour since September 1939, by calendar years; second, the nature and causes of such disputes; third, the method of settlement of such disputes; fourth, the number of applications for establishment of boards of conciliation and investigation; fifth, the number of applications granted; sixth, the number of settlements effected by industrial relations officers; seventh, the number of settlements effected by the industrial disputes inquiry commissioners; eighth, the number of settlements made by the boards of conciliation and investigation; ninth, the number of settlements made subsequent to the receipt of the Board's report; tenth, the number of applications for strike votes under P.C. 7307, and eleventh, the number of strikes which occurred in the same period, their causes and the number of employees affected, the number of working days lost, etc.

We have prepared this material in the form of tables, and as I present them I should like to refer briefly to some phases of the information. In exhibit No. 1 we set out in the first column the applications received for the establishment of boards of conciliation and investigation; in the second column the number of boards established; in the third, the boards reporting; in the fourth, the settlements by boards; next, the subsequent settlements and then strikes after awards. Then under P.C. 7307 the number of applications for strike votes, strike votes taken; and under P.C. 4020 the applications referred to industrial disputes inquiry commissioners, settlements by industrial disputes inquiry commissioners, the establishment of boards recommended by industrial disputes inquiry commissioners; the boards which are found unwarranted by the industrial disputes inquiry commissioners, and last the cases pending or dealt with otherwise.

Now, you will note that the applications received by the Board in the fiscal year 1939-40 numbered 50; the applications received in the next fiscal year, 1940-41, numbered 82; in the next fiscal year 132, and in the last fiscal year 146. Of that number of applications to the boards in those fiscal years there were granted 15 in 1939-40; 40 in 1940-41; 45 in 1941-42 and 40 in 1942-43.

I would draw your attention also, so far as this table is concerned, to the applications for strike votes under P.C. 7307, which was made effective on September 16, 1941. In 1941-42 there were three applications and three taken.

The CHAIRMAN: What calendar year do you mean by 1941-42?

Mr. MACLEAN: That is the fiscal year for the dominion government, April 1st to March 31st each year. In the last fiscal year which ended March 31st, 1943, there were eight applications for strike votes, but only one was taken. That is due to the fact, that, contrary to the belief of a number of people, the conciliation proceedings of the Department of Labour do not cease when the reports of the board of conciliation are received. There were eight reports to the boards which were unsatisfactory to the union concerned, and they applied for a strike vote. At that stage when the application for the strike vote is received the Department of Labour comes back into the picture; it must endeavour to prevent that strike from occurring, and the officers of the department do endeavour in that way to make it unnecessary for the strike vote to be taken. In seven out of the eight cases to which I have referred we succeeded in bringing about an amicable settlement, even after the board's report, which was unsatisfactory to the union concerned, was received by the Department of Labour.

Mr. COHEN: Is there anything in the subsequent sheets of this statement to indicate anything about those seven disputes and how the amicable settlements were reached?

Mr. MACLEAN: I believe I have a memorandum in my papers somewhere to indicate the causes, but generally speaking the reports were unsatisfactory because they recommended against the recognition of the union concerned, or because there was some question of contention between the parties as to the nature of the recognition, or as to the degree of recognition under which the employer would agree to the union or the employees concerned. In some cases the union was contending for a sole collective bargaining agreement, or for a closed shop, or something of the kind, and the dispute was brought about by that. In some instances there was a refusal on the part of the employer to deal in any way with the employees through their organization, and a compromise was obtained whereby both parties were brought into agreement.

Mr. COHEN: I do not want to be pressing you, but what I am trying to get at is whether there is anything in this material now filed which would indicate the nature of the settlements reached in these seven cases.

Mr. MACLEAN: I can give that. I am indicating in a general way what were the issues involved in the applications for the strike votes. I can submit to the Board at a later sitting the material in that connection, if the Board so decides.

In the next section of the table we deal with the procedures under P.C. 4020 dated June 6, 1941. In 1941-42 there were 64 applications referred to I.D.I. commissioners, and in the last fiscal year there were 106. In that year, out of 146 applications received for boards, 106 were referred to industrial disputes inquiry commissioners. The commissioners succeeded in effecting settlement of the dispute in 28 cases; they recommended the establishment of boards in 28, and recommended against the establishment of boards in 15. Thirty-five cases were pending at the end of the year. There is an explanation for that; in the month of March this year we received in the department 24 applications for establishment of boards of conciliation, which is the largest number of applications received in one month in the history of the department.

Mr. COHEN: What happened to the 146 applications received for a board? As I understand it, you indicate that 40 boards were established.

Mr. MACLEAN: Right.



EXHIBIT No. 1

## INDUSTRIAL DISPUTES INVESTIGATION ACT

Fiscal Year	Applica- tions Rec'd	Bds. Est'd	Bds. Rept'g	Settle- ments by Bds.	Subse- quent Settle- ments	Strikes after Award	UNDER P.C. 7307, DATED SEPT. 16, 1941		UNDER P.C. 4020, DATED JUNE 6, 1941				
							Applica- tion for Strike Vote	Strike Vote Taken	Applica- tions Ref. to I.D.I. Comms.	Settle- ments by I.D.I. Comms.	Establis- ment of Bds. Rec'd by I.D.I. Comms.	Bds. found Unwar- ranted by I.D.I. Comms.	Cases Pending or dealt with otherwise
1939-40...	50	15	10	7	1	2							
1940-41...	82	40	34	25	1	3							
1941-42...	132	45	51	30	5	9	3	3	64	24	25	10	5
1942-43...	146	40	24*	5	7	1	8	1	106	28	28	15	35

\*Result of Board procedure was not yet known in 11 cases at the close of the fiscal year.

Mr. COHEN: And settlements were effected by the commissioners in 28; is that right?

Mr. MACLEAN: Yes, that is right.

Mr. COHEN: And in 15 cases boards were disallowed as a result of unfavourable recommendations from the commissioners?

Mr. MACLEAN: Yes.

Mr. COHEN: And there were still pending at the end of the year 35. I only get a total on that of 118.

Mr. MACLEAN: That is 28, 28, 15 and 35, which is 106.

Mr. COHEN: The 28 reported by the commissioners as favourable would be reflected in your 40, would they not—that is, the 40 boards established?

Mr. MACLEAN: Yes, but apparently some of that 40 was carried over from the previous year. I think you will find the last four columns total up 106.

Mr. COHEN: Yes, but there is necessarily a certain amount of duplication between your second 28 and the 40.

Mr. MACLEAN: There would be a certain number of boards recommended by the commissioners that would make up the difference between the 28 and 40; where the commissioners were not consulted they would be set up by industrial relations officers.

Mr. COHEN: During the fiscal year 1942-43 you received 146 applications?

Mr. MACLEAN: That is right.

Mr. COHEN: The table then shows that 28 were disposed of by the industrial disputes inquiry commissioners, 40 were referred to boards in that particular year, 15 were refused and 35 were pending at the end of the year, that is to say, no decision had been made with respect to them. That gives a total of 118.

Mr. MACLEAN: The difference between the 118 and the 146 would make up the boards which were recommended by the industrial relations officers. But in any event these figures can be further reconciled by my branch at a later date. The compilation has been gotten together rather hurriedly, and I must confess it has taken our staff some time to get the material together, in view of the very large amount of work in the branch. If it is found that further compilation is required we can have that done for you at a later date.

Now, proceeding to Exhibit No. 2, which deals with the number of disputes dealt with under the Conciliation and Labour Act for each of the fiscal years under the various headings—

Mr. COHEN: I do not want to interrupt you again, but just when does a situation develop into a dispute? Suppose there is a contention upon the part of some union representative that the employers are resisting unionism and setting up company unions and so on, and there have been discharges; is that a dispute?

Mr. MACLEAN: A dispute is any matter which comes to the department in the form of a letter, a telegram or a telephone call from any trade union, employer or group of workers with respect to any difference between themselves, between the employees and the employers, or the employers and the employees, as the case may be.

Mr. COHEN: It is not synonymous with a strike situation?

Mr. MACLEAN: Not necessarily, but it may develop through a disinclination on the part of the employer to enter into negotiations with a union, in which case we get a demand or a call from either of the parties to enter into the situation, and that is done under the Conciliation and Labour Act.



Our industrial relations officers are established under this act, and this table shows the various causes of dispute under the various headings. Under wages, there are indicated the increases in wages; increases in wages and other changes; increases in wages, union recognition, etc. Then there is a section indicating other changes affecting wages and working conditions. Under unionism—we have the following: recognition of union; discharge of employees for union activity or membership; union jurisdiction; to secure or maintain union wages or working conditions; other union questions. The next head is discharge of workers; then, against cancellation of agreement by employer; followed by alleged violation of agreement by employer, and finally unclassified. In 1930-40 there were 38 disputes; in 1940-41 there were 80; in 1941-42 there were 104, and in 1942-43 there were 114.

The CHAIRMAN: Under the heading of wages you have increase in wages; and there is another heading, increase in wages, union recognition, etc. Then you have under the heading of Unionism, recognition of union. In the first case is it an increase in wages accompanied by a demand for union recognition?

Mr. MACLEAN: Two questions were in dispute, and in the last case there was only one question, that of recognition of the union.

## CONCILIATION AND LABOUR ACT

EXHIBIT No. 2

## CAUSES OF DISPUTES DEALT WITH

	1939-40	1940-41	1941-42	1942-43
<i>Wages—</i>				Details not yet available
Increase in wages.....	4	19	32	
Increase in wages and other changes.....	14	20	14	
Increase in wages, union recognition, etc.....	4	16	20	
<i>Other changes affecting wages and Working Conditions.....</i>	—	6	11	
<i>Unionism—</i>				
Recognition of union.....	4	5	5	
Discharge of employees for union activity or membership.....	2	4	8	
Union jurisdiction.....	1	—	1	
To secure or maintain union wages or working conditions.....	—	1	4	
Other union questions.....	—	1	1	
<i>Discharge of Workers.....</i>	2	5	3	
<i>Against cancellation of agreement by employer.....</i>	3	1	—	
<i>Alleged violation of agreement by employer.....</i>	2	—	1	
<i>Unclassified.....</i>	2	2	4	
TOTAL.....	38	80	104	114

The next exhibit was not asked for by the Board, but it indicates one of the functions we are called upon to perform, that is, the taking of representation votes is part of the service of the department. In this matter in the Province of Ontario we worked in very close co-operation with the officers of the Department of Labour for the province, and the chief conciliation officer of the Ontario Department of Labour has worked with us. Of these representation votes 92 were taken by the Dominion Government on its own behalf, nine were taken on behalf of the Ontario department, nineteen were taken by the Ontario department on behalf of the Dominion, twenty-seven were taken by the Ontario department on its own behalf, and there were three taken by the Nova Scotia Department of Labour on behalf of the Dominion Government, a total of 150 votes. This summary covers the period from January 1940 to April 30th, 1943. All but 25 votes, however, have been taken since January 1942.

## Exhibit No. 3.

## DOMINION DEPARTMENT OF LABOUR

*Representation Votes*

Votes taken by the Dominion Department on its own behalf .....	92
Votes taken by the Dominion Department on behalf of the Ontario Department of Labour.....	9
Votes taken by the Ontario Department of Labour on behalf of the Dominion Department .....	19
Votes taken by the Ontario Department of Labour on its own behalf .....	27
Votes taken by the Nova Scotia Department of Labour on behalf of the Dominion Department .....	3
Total .....	150

*Summary*

Dominion Department of Labour Votes .....	114
Ontario Department of Labour Votes .....	36

*Period Covered*

This summary covers the period January, 1940, to April 30, 1943. All but 25 votes, however, have been taken since January, 1942.

In Exhibit No. 4 we deal with strikes by causes. I am not going to burden the Board with the details except to read the causes of these strikes and lock-outs. Under wages the causes were increase in wages; decrease in wages; increase in wages and reduced hours; increase in wages and other changes.

The CHAIRMAN: While you are on this section, you have me in trouble again on the question of these figures. You have the figure 145 under the heading "Disputes." What does that mean?

Mr. MACLEAN: These are disputes caused by increase in wages.

The CHAIRMAN: During that year?

Mr. MACLEAN: During the year indicated. By the way, this table is arranged by the calendar year rather than by the fiscal year. That is the manner in which our statistical branch makes up its statistics regarding strikes.

The CHAIRMAN: I am curious in connection with that. I thought that matters in regard to wages were something that had to do with the National or Regional War Labour Boards. You mean that these are disputes in which their decisions were not accepted, or what is the significance?

Mr. MACLEAN: These were strikes which occurred during these various years, and the causes are given. That deals entirely with strikes so far as the statistics of the research branch are concerned. It is impossible to relate these strikes up to decisions of the Regional or National War Labour Boards. It seems to me that is information that would have to be obtained from the National War Labour Board files.

Mr. COHEN: Do you mind carrying on with me to the bottom of that column—disputes for 1942, total 354. Does that suggest the total disputes involving either strike or lockout?

Mr. MACLEAN: That is right.

Mr. COHEN: And the corresponding figures for 1941 is 231?

Mr. MACLEAN: Yes, and 168 and 122 for the previous years.

Mr. COHEN: How does that compare with Exhibit No. 2, which gives the total of disputes as I understood it for 1942, including the disputes that might involve strikes, as 104?



## STRIKES AND LOCKOUTS IN CANADA, 1939, 1940, 1941, AND 1942 BY CAUSES

EXHIBIT No. 4

Cause or object	1939 Total			1940 Total			1941 Total			1942 (d) Total		
	Disputes	Workers affected	Time loss in man working days	Disputes	Workers affected	Time loss in man working days	Disputes	Workers affected	Time loss in man working days	Disputes	Workers affected	Time loss in man working days
Wages—												
Increase in wages.....	30	4,966	24,112	49	12,186	55,614	89	23,926	121,188	145	48,172	181,599
Decrease in wages.....	7	793	4,575	1	145	725	3	2,225	4,713	8	5,702	12,900
Increase in wages and reduced hours.....				2	119	119	2	218	300	3	176	480
Increase in wages and other changes.....	6	555	8,498	7	813	10,995	19	3,943	21,249	20	10,400	23,237
Hours of Labour—												
Reduced hours.....				1	53	53				2	55	133
Increased hours.....												
Other causes affecting wages or working conditions.....	22	6,203	27,668	32	11,145	24,547	34	11,782	53,390	68	16,459	42,850
Unionism.....												
Recognition of union.....	11	1,921	40,669	19	9,647	100,696	32	12,418	126,334	43	10,777	112,250
Employment of union members only (a).....	5	545	18,560	4	2,573	22,100	8	2,261	11,473	8	3,575	12,20
Discharge of workers for union activity or membership.....	5	165	3,434	2	413	1,082	7	683	1,889	3	372	812
Union jurisdiction.....										1	200	300
To secure or to maintain union wages and working conditions.....	13	1,686	23,988	8	577	4,634	3	660	11,100			
Other union questions.....	1	25	25				4	19,130	51,568			
Discharge of workers (b) (c).....	13	9,224	35,430	15	7,271	21,240	24	8,232	27,704	3	687	1,396
Employment of particular persons (b).....	4	6,865	15,805	25	14,937	23,163	3	108	186			
Sympathetic.....	3	6,362	17,524	2	700	1,310	3	1,505	2,820	10	2,932	5,636
Unclassified.....	2	1,728	4,300	1	40	40				8	3,164	10,062
Total.....	122	41,038	224,588	108	60,619	266,318	231	87,091	433,914	354	113,216	449,522

(a) Including employment of members of one union only.  
 (b) Other than in connection with union questions.  
 (c) Including refusal to reinstate.  
 (d) Preliminary.

Mr. MACLEAN: That is explained in this way. The table I am dealing with now has to do with strikes which have occurred in those years, and the department might not have been called in with respect to them at all, but the other table to which you have just referred indicates the number of disputes and the causes which have been referred to our department.

I have another table which discusses disputes under the Industrial Disputes Investigation Act. This deals entirely with strikes reported to our department and not referred to us. In respect to some strikes our industrial relations officer has an opportunity to be called in and send a report to us before they occur. In the table already presented there is shown a total of 122 in 1939, 168 in 1940, 231 in 1941 and 354 in 1942, but while the number of strikes increased quite extensively in 1942 over 1941 the amount of time lost in man working days did not increase very greatly, as you will see, because in 1941 the time lost was 433,914 man working days while in 1942 the time lost was 449,522 working days.

Now the next exhibit is one which the Board did not ask for but that you might like to have. It is a statement of the active applications for boards of conciliation and investigation under the Industrial Disputes Investigation Act which are now before the department, or which were before the department as at May 1. There are a total of 91 boards. Of these, board reports received and disputes still unsettled 12; boards functioning 18; boards established but not yet fully constituted, 2; preliminary investigation being proceeded with by industrial disputes inquiry commissioners, 42; applications referred to departmental officers, 1; new applications (statements in reply requested, application returned for necessary revision, etc.), 16; making a total of 91.

## Exhibit No. 5

As at May 1, 1943.

## Statistical Summary of Active Applications for Boards of Conciliation and Investigation under the Industrial Disputes Investigation Act:

Board reports received and disputes still unsettled.....	12
Boards functioning .....	18
Boards established, but not yet fully constituted.....	2
Preliminary investigation being proceeded with by Industrial Disputes Inquiry Commissioners .....	42
Applications referred to Department Officers.....	1
New applications (statements in reply requested, application returned for necessary revision, etc.).....	16
<b>Total Active Applications.....</b>	<b>91</b>

OTTAWA, May 1, 1943.

## DEPARTMENT OF LABOUR

*Applications for Boards of Conciliation and Investigation under the Industrial Disputes Investigation Act**Board Reports Received but Disputes Still Unsettled*

Brantford Coach & Body, Ltd., Brantford, Ont.	} 1 board
Canadian Marconi Co., Montreal, P.Q.	
Canada Paper Co., Windsor Mills, P.Q.	
Ontario Steel Products Co., Ltd., Chatham, Ont.	
Geo. W. Reed & Co., Montreal, P.Q.	
Canners' Machinery, Ltd., Simcoe, Ont.	
Hamilton Bridge Co., Ltd., Hamilton, Ont.	
Welland-Vale Mfg. Co., Ltd., Hamilton, Ont.	
Shawinigan Chemicals Ltd., Shawinigan Falls, P.Q.	
Schultz Die Casting Co. of Can. Ltd., Wallaceburg, Ont.	
Levis Ferry, Ltd., Quebec, P.Q.	



## DEPARTMENT OF LABOUR—Continued

*Applications for Boards of Conciliation and Investigation under the Industrial Disputes Investigation Act—Con.**Boards Functioning*

Various Logging Companies, Queen Charlotte Islands, B.C.  
 Howard Smith Paper Mills, Ltd., Beauharnois, P.Q.  
 Consumers' Gas Co. of Toronto, Toronto, Ont.  
 Canadian Car & Foundry Co. Ltd., Brantford, Ont.  
 Babcock-Wilcox & Goldie-McCulloch, Ltd., Galt, Ont.  
 J. A. M. Taylor Tool Co., Galt, Ont.  
 R. McDougall Co., Ltd., Galt, Ont.  
 Shurly-Dietrich-Atkins Co., Ltd., Galt, Ont.  
 Canada Machinery Corp., Galt, Ont.  
 Galt Malleable Iron Co., Ltd., Galt, Ont.  
 J. Ford & Co., Ltd., Portneuf Station, P.Q.  
 Galt Metal Industries, Ltd., Galt, Ont.  
 Canada Paper Company, Windsor Mills, P.Q.  
 Galt Brass Co., Ltd., Galt, Ont.  
 Whitehall Machine & Tools, Ltd., Galt, Ont.  
 Davie Shipbuilding & Repairing Co., Lauzon, P.Q.  
 George T. Davis & Sons, Ltd., Lauzon, P.Q.  
 Morton Engineering & Dry Dock Co., Ltd., Lauzon, P.Q. } Board

*Boards Established*

Canada Packers, Ltd., St. Boniface, Man.  
 Defence Industries, Ltd., Brownsburg, P.Q.

*Preliminary Investigation by Industrial Disputes Inquiry Commissioners*

West Coast Shipbuilders, Ltd., Vancouver, B.C. (F. E. Harrison)  
 DeHavilland Aircraft of Can. Ltd., Toronto, Ont. (Judge I. M. Macdonnell)  
 Robin Hood Flour Mills, Ltd., Moose Jaw, Sask. (H. S. Johnstone)  
 Border Cities Industries, Ltd., Windsor, Ont. (Louis Fine)  
 Canadian Copper Refineries, Ltd., Montreal, P.Q. (B. Rose)  
 Searle Terminal, Ltd., Fort William, Ont. (J. P. Nicol)  
 Canada Packers, Ltd., Toronto, Ont. (F. J. Ainsborough)  
 Geneleo, Ltd., Peterborough, Ont. (F. J. Ainsborough)  
 Canadian Car & Foundry Co. Ltd. (Pt. St. Charles) (B. Rose)  
 Massey-Harris Co., Ltd., Toronto, Ont. (J. P. Nicol)  
 Aluminum Co. of Can. Ltd., Arvida, P.Q. (B. Rose)  
 Canadian Bronze Powder Works, Ltd., Valleyfield, P.Q. (B. Rose)  
 Sangamo Co., Ltd., Leaside, Ont. (J. P. Nicol)  
 Yarrows, Ltd., Victoria, B.C. (G. R. Currie)  
 Steel Co. of Can., Ltd., Hamilton, Ont. (J. P. Nicol)  
 Ford Motor Co. of Can. Ltd., Windsor, Ont. (2) (Louis Fine)  
 Massey-Harris Co., Ltd., (Aircraft Div'n) Weston, Ont. (J. P. Nicol)  
 Burgess Battery Co., Niagara Falls, Ont. (F. J. Ainsborough)  
 Dominion Glass Co., Ltd., Hamilton, Ont. (Judge I. M. Macdonnell)  
 Otis-Fenson Elevator Co., Ltd., Hamilton, Ont. (J. P. Nicol)  
 Metallic Roofing Co., Ltd., Toronto, Ont. (H. Perkins)  
 Montreal Cottons, Ltd., Valleyfield, P.Q. (B. Rose)  
 Commonwealth Electric Corp., Welland, Ont. (J. P. Nicol)  
 Underwood Elliott Fisher Co. Ltd., Toronto, Ont. (Judge I. M. Macdonnell)  
 Montreal Tramways Co., Montreal, P.Q. (B. Rose)

Clark Ruse Co., Ltd., Lakeburn, N.B. (H. R. Pettigrove)  
 The Office Specialty Mfg. Co. Ltd., Newmarket, Ont. (J. P. Nicol)  
 Canadian Marconi Co., Montreal, P.Q. (B. Rose)  
 Morrow Screw & Nut Co., Ltd., Ingersoll, Ont. (J. P. Nicol)  
 Commonwealth Electric Corp., Welland, Ont. (J. P. Nicol)  
 Breithaupt Leather Co. Ltd., Kitchener, Ont. (J. P. Nicol)  
 Sawyer-Massey Ltd., Hamilton, Ont. (F. J. Ainsborough)  
 Toronto Terminals Rly., Toronto, Ont. (J. D. McNish)  
 Canadian Pacific Rly., (Dining Car Employees) (B. Rose)  
 Welland Chemical Works, Niagara Falls, Ont. (J. P. Nicol)  
 Canadian Furnace, Ltd., Port Colborne, Ont. (J. P. Nicol)  
 The B. Greening Wire Co., Ltd., Hamilton, Ont. (J. J. Ainsborough)  
 Anaconda American Brass Co., Ltd., New Toronto, Ont. (H. Perkins)  
 Sorel Industries, Ltd., Sorel, P.Q. (B. Rose)  
 John Palmer Co. Ltd., Fredericton, N.B. (H. R. Pettigrove)  
 Dominion Oilcloth & Linoleum Co., Ltd., Montreal, P.Q. (B. Rose)  
 Cockshutt Plow Co., Ltd., Brantford, Ont. (F. J. Ainsborough)

#### *Referred to Departmental Officers*

Robt. Mitchell Co., Ltd., Ville St. Laurent, P.Q. (R. Trepanier)

#### *New Applications*

H. E. Mott Co., Ltd., Brantford, Ont.  
 Sterling Clothing Co., Ltd., Montreal, P.Q.  
 Prairie Airways Co., Ltd., (Aircraft Division) Moose Jaw, Sask.  
 DeHavilland Aircraft of Canada, Ltd., Toronto, Ont.  
 H. J. Heinz Co. of Canada, Ltd., Leamington, Ont.  
 Lake St. John Power & Paper Co., Ltd., (Dolbeau Mill)  
 Lake St. John, P.Q.  
 Canadian National Rly. (Work Equipment Dept). Winnipeg, Man.  
 Machinery Services Ltd., Ville LaSalle, P.Q.  
 Price Bros & Co., Ltd., St. Joseph d'Alma (Riverbend) P.Q.  
 Price Bros. & Co., Ltd., Kenogami, P.Q.  
 Price Bros. & Co., Ltd., Jonquiere, P.Q.  
 York Township Hydro System, Toronto, Ont.  
 Massey-Harris (Verity Works) Co., Ltd., Brantford, Ont.  
 Breithaupt Leather Co., Ltd., Penetang, Ont.  
 Canadian Car & Foundry Co., Ltd., Fort William, Ont.  
 James Pender Co., Ltd., Saint John, N.B.

I have a table which shows the disputes under the Industrial Disputes Investigation Act in the fiscal years 1941-42 and 1942-43. The causes of the disputes are shown as: union recognition—in the first fiscal year, 50, and in the second fiscal year, 27; union recognition and other causes, 40 in the first year and 88 in the second; other than union recognition, 42 in the first and 31 in the second, making a total of 132 in the fiscal year 1941-42, and 146 in the fiscal year 1942-43. That corresponds with the number of applications received for boards shown in the first statement which you have in your hands. Those were the causes given in the applications received for boards of conciliation and investigation in these two years.

#### INDUSTRIAL DISPUTES INVESTIGATION ACT

<i>Causes of Disputes</i>	<i>Number of Applications Received</i>	
	<i>Fiscal Year</i>	<i>Fiscal Year</i>
	1941-42	1942-43
Union recognition .....	50	27
Union recognition and other causes .....	40	88
Other than union recognition .....	42	31
Total .....	132	146



The next exhibit has reference to the various pieces of legislation which are administered under the Industrial Disputes Investigation Act.

Mr. COHEN: Before you go on with that, is there any material here with respect to the applications under P.C. 4020 arising out of alleged discriminatory discharges?

Mr. MACLEAN: No, but I can get that for the Board without much difficulty. That section 5 of P.C. 4020 has been in existence only a short period, and we have had probably 15 to 20 inquiries under that section so far. I can get a statement if the Board would like to have it. Is that a request?

Mr. COHEN: Yes, if you can give it to us.

Mr. MACLEAN: Exhibit No. 6:—

*Legislation Presently Administered by the Industrial Relations  
Branch, Department of Labour*

The Conciliation and Labour Act (Chapter 110, R.S.C., 1927) is one of two basic statutes administered by the Industrial Relations Branch. It empowers the minister to inquire into the causes and circumstances of a dispute, to take such steps as he deems expedient for the purpose of bringing the parties together and effect a settlement. He is also authorized to appoint a conciliator or an arbitrator in any dispute when requested by the parties concerned.

For purposes of administering this Act, a headquarters staff is maintained in Ottawa and a group of permanent Industrial Relations Officers at Vancouver, Winnipeg, Toronto, Montreal and Fredericton, N.B.

The Industrial Disputes Investigation Act (Chapter 112, R.S.C., 1927) was enacted to aid in the prevention and settlement of strikes and lock-outs in mines and industries connected with public utilities. This statute forbids any such stoppage of work until all matters in dispute have been dealt with by a Board of Conciliation and Investigation. Since its enactment in 1907, it has been used mainly as an instrument of conciliation, and its punitive provisions have only rarely been exercised. If a conciliation officer is unable to effect a settlement and if the application for the establishment of a Board of Conciliation and Investigation is in order, the dispute is finally referred to a three-man Board. The reports of such Boards are not binding upon the parties and the main value, which is very great, lay in the mediatory effort of the Boards themselves and the rational and psychological benefits of an untrammelled ventilation of all matters in dispute.

Orders in Council P.C. 3495 and P.C. 1708. With the beginning of the present war, under the authority of the War Measures Act (Orders in Council P.C. 3495, as amended by P.C. 1708) the scope of the Industrial Disputes Investigation Act was extended to cover disputes between employers and employees engaged in work on munitions, war supplies and defence projects. In the language of the Orders in Council the Act now applies "in respect of any dispute between employers and employed engaged in the construction, execution, production, repairing, manufacture, transportation, storage or delivery of munitions of war or supplies and in respect also of the construction, remodelling, repair, or demolition of defence projects" the Order in Council then goes on further to define the term "munitions of war," "supplies," or "defence projects," with a completeness which covers virtually everything "required or intended for war purposes".

Order in Council P.C. 4020. With the extension of the scope of the Industrial Disputes Investigation Act to cover disputes in war work,

there was naturally a marked increase in the number of applications for the establishment of Boards of Conciliation and Investigation and it was found that a large number of these applications had reference to disputes of a nature *prima facie* as not to warrant the establishment of a Board.

Mr. COHEN: Would you mind at this point indicating to me how the figures on Exhibit No. 1 support that statement as to the large number of applications for Boards of Conciliation?

Mr. MACLEAN: I do not think that refers particularly to applications which we have received in the last year or so. That was a statement which was made at the time when P.C. 4020 was under discussion. It was a statement the department made at the time P.C. 4020 was adopted or passed by the government.

Mr. COHEN: I know; for instance in the fiscal year 1941-42 you show as unwarranted applications, 10, and the following fiscal year, 15. Where is the basis for this statement "it was found that a large number of these applications had reference to disputes of a nature *prima facie* as not to warrant the establishment of a board."

Mr. MACLEAN: I am not sure—that is, formal applications for a board; but disputes arose without any application being made for a board.

Mr. COHEN: That is not the statement contained in the passage you read from. You suggest that P.C. 4020 was brought into existence because "with the extension of the scope of the Industrial Disputes Investigation Act . . . it was found that a large number of these applications had reference to disputes of a nature *prime facie* as not to warrant the establishment of a board." I am asking for the factual evidence that supports that statement.

Mr. MACLEAN: You will notice that of the number of applications put through that constitutes a very large number.

Mr. COHEN: You say that 10 and 15 out of 132 and 146 is a large number?

Mr. MACLEAN: It is a large number in comparison to the applications we received for boards prior to the latter year, when the total number of applications by the department did not amount to more than 30 or 35 during the fiscal year in any event. Exhibit No. 6 continues:—

Accordingly, with a view to insuring that disputes would be settled as expeditiously as possible, provision was made under the authority of the War Measures Act (Order in Council P.C. 4020 June 6, as amended by P.C. 4844, July 2, 1941, and P.C. 7068, September 10, 1941) for the appointment of Industrial Disputes Inquiry Commissions consisting of one or more persons to inquire into the circumstances surrounding such disputes. In the event that an Industrial Dispute Inquiry Commission is unable to effect an adjustment of a dispute, it is the duty of the Commission to report to the Minister of Labour and advise him whether the circumstances warrant the establishment of a Board of Conciliation and Investigation to deal with the dispute. It is important to note that under Section 1 of Order in Council 4020 a Commission may be appointed when a strike or lockout has occurred or seems to the minister to be imminent and whether or not a Board of Conciliation and Investigation has been applied for, and whether or not authority to declare such a lockout or strike has been obtained.

Section five of this Order in Council authorizes the Minister of Labour, on the recommendations of a commissioner, to "issue whatever order he deems necessary to effect such recommendations and such order shall be final and binding upon the employer and employees and any other person concerned." Such order in practice may include an instruction for the reinstatement of any person whom the commissioner decides has been discharged for the reason that he is a member of or is working on behalf of a trade union, with pay for lost time.



A new section of the Order in Council, section 8, added by an amending Order in Council on January 19, 1942, empowers the Minister of Labour to appoint a commission to investigate any situation, which, while not likely to lead to a strike or lockout, nevertheless tends to interfere with the most effective utilization of labour in the war effort. In such a situation, the Commission reports its findings to the minister who may take steps as he deems necessary and desirable to give effect to such recommendations.

Order in Council P.C. 7307. Regulations governing the right to strike in war industries were established by an Order in Council (P.C. 7307, September 17, 1941, as amended by P.C. 8821, November 13, 1941) passed under the authority of the War Measures Act. By this Order in Council, it was declared that any strike subsequent to the receipt of the findings of a Board of Conciliation and Investigation is illegal until the employees concerned have notified the Minister of Labour of their intention to go on strike and a strike vote taken under the supervision of the Department of Labour has shown that a majority of the employees affected are in favour of a strike. This Order also provides penalties for any employee who goes on strike contrary to the provisions of the regulation.

It should be noted here that the Orders in Council known as the Wartime Wages Control Order has transferred wage dispute from the jurisdiction of Boards of Conciliation and Investigation to the National and Regional War Labour Boards. Since the National and Regional War Labour Boards are specifically charged with the duty of adjudicating wage demands, no application for the establishment of Boards of Conciliation and Investigation, in which wages are the sole cause of the dispute, is entertained.

Order in Council P.C. 2685. The government's War Labour policy did not make any change in the legal status of trade unions. But its most widely debated and discussed enactment, P.C. 2685, greatly clarified the government's position in respect of collective bargaining. This Order in Council is not mandatory. It is a declaration by the government "of certain principles for the regulation of labour conditions during the war, the acceptance of which by employers and work people would make for the avoidance of industrial strife."

The Order enunciates the following main principles with respect to collective bargaining: that employees should be free to organize in trade unions, free from any control by employers or their agents; that employees, through the officers of their trade unions or through other representatives chosen by them, should be free to negotiate with employers with a view to the conclusion of a collective agreement; that every collective agreement should provide machinery for the settlement of disputes arising out of the agreement, and for its renewal or revision, and that both parties should scrupulously observe the terms and conditions of any agreement into which they have entered; that workers, in the exercise of their right to organize, should use neither coercion nor intimidation of any kind to influence any person to join their organization; that any suspension which may be made of labour conditions established by law, agreements, or usage, requisite to the ceding of wartime production, should be understood as applying only for the period of emergency.

Order in Council P.C. 10802. On December 1, 1942, the government took formal cognizance of the fact that certain of its departments had entered in an important way into the field of production by way of organizing crown corporations which employed work-people in productive processes in companies having a share capital, the majority of the

shares of which were held by or on behalf of the Crown, and companies whose operations were wholly or directly controlled by an officer of the Crown for a period exceeding 3 months. By Order in Council P.C. 10802, persons employed by such companies to do skilled or unskilled manual, clerical or technical work are declared free to join or to continue membership in a trade union and to bargain collectively with such companies in regard to working conditions. At the same time such Crown companies, their officers and agents, were made free to negotiate with any of its employees with a view to the conclusion of a collective agreement covering the employees of such company whom they represent provided that the employees participating in the negotiations are the properly chosen representative of a trade union to which belong a majority of the employees of such company or to which belong the majority of its employees in its plant or in any of its plants or in any department of a plant or in any trade or craft which is appropriate for collective bargaining purposes.

Differences between a Crown company and its employees are made subject to the Industrial Disputes Investigation Act, except where the matters in dispute involve differences with regard to the persons being the properly chosen representatives of a trade union, or as to the number of employees in a plant, department of a plant, craft or trade who are members of a trade union, or as to whether any such department, craft or trade is appropriate for collective bargaining purposes. Differences in respect of matters so excepted shall be determined by the Minister of Labour who may refer such differences to an Industrial Disputes Inquiry Commission appointed pursuant to the provisions of P.C. 4020.

Now the procedure which the department follows in connection with applications for Boards of Conciliation and Investigation has been speeded up. The time involved in setting up these boards has been shortened to some extent in recent months, and to-day we are shortening it a little further by requiring the employers to present a statement in reply, as called for by section 20 of this Act, to the Industrial Disputes Inquiry Commissioner. This has been a source of delay in the past sometimes, running into ten days or two weeks. The complaint in this regard will now be very largely eliminated by the new procedure to which I have referred. I will say that the Industrial Disputes Inquiry Commissioners do fulfil a useful purpose, and delays do not occur in the establishment of Regional Boards by reason of the setting up of the Inquiry Commissioners.

Mr. COHEN: Would you mind elaborating on that a little? Because on the face of it, it appears that the appointment of a commissioner to intervene takes up some time. How can it be said that it does not delay the appointment?

Mr. MACLEAN: It takes up some time, but you will note from the statement I presented to you, Exhibit No. 1, that in many cases he is unable to dispose of the dispute. I think the delay which occurs as the result of his appointment is worth while in the final result, because he does, I feel, bring about to some extent at least a better feeling between the employer and employees concerned.

Mr. COHEN: Is there any reason to assume that a board holding a hearing promptly at that time instead of the commissioner would not bring about a settlement?

Mr. MACLEAN: No, there is no reason to suppose that, but I think our experience proves that the Industrial Disputes Inquiry Commissioner system has worked advantageously on behalf of the employers and workers concerned. It is true there is some delay involved by reason of the establishment of the Industrial Disputes Inquiry Commission, but still I think it has been justified by the experience we have had.



The CHAIRMAN: I am just wondering how that all adds up. I suppose a dispute is a dispute when you get an application of some kind. Then you appoint a commissioner. True, the commissioner may settle that dispute or he may not, and if he does not then it goes to a board of conciliation. From the point of view of a time-saving operation, why is it so good? It looks like multiplying one by two and stating it is equal to one-half. You have two operations to cover the same proposition.

Mr. MACLEAN: I think in operation it is good. The time taken up by the commissioner in his duty does not in the final analysis amount to more than three or four or five days in any one particular case.

The CHAIRMAN: What if you put the two into one?

Mr. MACLEAN: I am not so sure that that would work out any more advantageously than the system we have at the present time.

The CHAIRMAN: I am asking the question.

Mr. MACLEAN: It would depend upon the personnels of the boards which you set up, whether they are more qualified to deal with these questions than the commissioners who are on the personnel of the boards set up at the present time.

Mr. COHEN: Presumably that would be the case when the commissioner cannot settle it; it has to go over to the board.

Mr. MACLEAN: That is true. You will note in the last section that the boards of conciliation did not get as much in the way of results as the commissioners did.

Mr. COHEN: You took the cream off.

Mr. MACLEAN: Yes, then left the difficult ones for the Boards of Conciliation.

Mr. COHEN: Put yourself in the position of an applicant before the Board. That position is not assisted by the fact that some other applicant is going to have his dispute disposed of by the commissioner rather than wait for the Board. He first makes his application, and then a little time elapses, say two or three days, before you acknowledge the receipt of the application and begin to work on it. That would be reasonable, would it not?

Mr. MACLEAN: I do not think that any great delay occurs in setting up boards in handling these applications.

Mr. COHEN: I would rather deal with that as we go along.

Mr. MACLEAN: Let me make my statement first and I will deal with it in the way you suggest. First of all the Industrial Disputes Inquiry Commissioner does not make a satisfactory settlement in a large number of cases. There are others which may take longer because of the fact that he did not step in at the beginning. Many people believe that there is unnecessary delay in setting up these boards; I recall that in the town of Galt recently we received applications from nine or ten organizations for the establishment of boards in that district, and those nine or ten boards were set up in a period of fifteen days or three weeks. Frequently, some delay is accounted for by the fact that the application which we receive from the union or the employees concerned is not in the proper form and must be returned for correction. Sometimes that takes three or four days, sometimes a week. When it is received in the proper form, then section 20 would operate to cause a further delay. That section calls for the transmission of the statement to the employer, and some employers do take longer than they should take, sometimes ten days or two weeks to get their statement in, and at that have to be prodded by the department to obtain it. When that statement of reply is received by the department a commissioner is established, and that commissioner is usually placed on the assignment within a period of four or five days. He may take one or two days or longer, depending upon the success he meets with in negotiations or in the task of getting the two

parties together. Sometimes at that stage there is a delay which is created generally by both parties concerned. If the commissioner is unable to make a settlement he reports for a board to be established, and we set the board up just as quickly as we receive the announcement from both sides, usually in about five days, that they cannot agree on a chairman; and it may take the department another two or three days to find a man who is available and competent for the position of chairman. That is when the board is established.

The CHAIRMAN: You seem to be more or less defending the way things are done in the department. That is not a matter of so much interest to me. Let us trace one through that goes to the end. Proposition No. 1 is that there may be an application; a commissioner may be appointed to look into it, and he may not be able to effect a settlement. Then there may be an application under the Industrial Disputes Investigation Act, and in some cases that entails the taking of a strike vote. That goes on, and then the board reports; and as you know in a great many cases, perhaps in the majority of cases, it reports that nothing has been settled up to that time. Then the conciliation branch of the department takes it over for a while; the report of the conciliation board is looked upon as an intermediate step, but that does not work out and you have your strike vote coming in. It is a pretty long process, is it not?

Mr. MACLEAN: I agree, but the question is this, Mr. Chairman: is there any way at all or any system which can be devised which would curtail or lessen the length of the period between the time the dispute arises and the settlement?

Mr. COHEN: Suppose you had a permanent tribunal ready to do business.

Mr. MACLEAN: You have the delay no matter what system you have. In the United States under the National Labour Relations Act these things are not disposed of in short order. There must be some time given for the preliminary investigation and for the actual working on the conciliation. Some of these cases go from the National Labour Relations Board to the National War Labour Board, and it takes weeks to get these cases disposed of. The same thing happens in Great Britain. While I admit that there is a good deal of time occupied from the time the application is received from the department for the establishment of a board until the matters are disposed of, I suggest you are bound to have some delay. I do not hesitate to say the procedure could be shortened, but I do not think we would have any more satisfactory system by the elimination of the Industrial Disputes Inquiry Commissioners. They have done a good job, and I think it is working out. When I was in the trade union movement and this Order in Council was passed I could not see the value of it; I thought it would result in delays, but in actual practice I think it has justified itself.

There is one other matter which I think I should bring to your attention, and that is the point of view which is expressed by some people with respect to the number of jurisdictional disputes which occur in this country, that is, disputes between organizations. I think that the table which I presented dealing with strikes would indicate that they are not as numerous as probably some people think. According to this table there were no strikes in any of the first three years and only one strike in the last year, 1942, due to differences between unions on the question of jurisdiction. There may have been a number of other disputes which did not result in strikes but in such instances they have been amicably disposed of.

I have nothing further to submit, except to refer you to the last annual report of the Dominion Department of Labour for the year ended March 31, 1942, in which you will find material dealing with the operation of the Industrial Disputes Investigation Act, and so on. You may find some material there which would be helpful to you in your inquiry. I have copies of it here, in both French and English, if the Board would like to have them.



Mr. COHEN: Would you mind a further question? Something has been said during the course of these hearings about observance or non-observance by trade unions of collective agreements entered into and disputes resulting therefrom. What can you tell us in that regard from your own experience as an officer of the department? To what extent is there any problem accruing from the refusal of the trade unions to adhere to agreements that are made?

Mr. MACLEAN: I do not think there is very much cause for complaint in that connection.

The CHAIRMAN: I did not think so.

Mr. MACLEAN: In a few instances in the last few months, in certain new industries or in industries where trade union organization has been recently established, there may have been on the part of one or two groups of workers' organizations some impatience which may not have been expressed in non-observance of certain clauses in their agreements, but generally speaking my experience with the department—that is only a period of nine months, as you know—I do not think there is very much cause for complaint in that regard.

The CHAIRMAN: Of course that question was limited to trade unions. What about the action that is taken by the membership of trade unions without the approval of their executive? That is another question.

Mr. MACLEAN: There have been a few instances where strikes have occurred with the approval of the executives of the unions, but I think they were very very few in comparison with the large number of agreements that are in effect in industry generally between trade unions and employers. We have hundreds of agreements in effect, but my recollection is that only in a few instances has there been any lack of observance either by the membership or by the officers of the unions.

Mr. COHEN: On that same point, the conditions in collective agreements dealing with disputes and so on all seem to run on the same pattern, putting upon the employee or upon his union the onus of resorting to this procedure. Speaking from your experience is there any reason why there should not be some agreement to suggest to the employer proposing to do something or other to bring the dispute machinery into operation with a view to having the dispute settled or disposed of?

Mr. MACLEAN: I think there have been a few cases. The Chairman knows of one in which he acted as arbitrator recently, and in which one of the officers of our department had to act as arbitrator since that time; it was a case of lack of observance of the terms of the contract by a large body of workers. That is one that stands out in my mind at the moment, but we have not had many of the kind. There the workers had a contract which called for a certain grievance procedure to be pursued if any grievance arose. I am quite frank in saying that I do not think the workers pursued that machinery, or at least they did not pursue it to the extent they should have done. Now, my-view about that contract is that it would be a better contract if there were a provision in it such as there is in other contracts between employers and trade unions, to provide that the employer before he changed any of his processes would consult with the committee of the trade union or of the employees, as the case may be, before making any arbitrary changes in the ordinary processes of the plant.

The CHAIRMAN: You mean working conditions?

Mr. MACLEAN: Yes. That does not justify, in the instance I have cited, the action of the employees in leaving their employment but it does constitute a grievance, and it does constitute a provocation. I think it could be very easily eliminated by a provision such as I suggest, and which, as I say, is contained in a

number of contracts. It works out satisfactorily. I think there is some perversity in all human nature, but it is not confined to any one class of individual, either the worker or the boss.

The CHAIRMAN: I think, Mr. Somerville you had a brief that you would like to dispose of to-day, or some representations to make.

MR. JAMES SOMERVILLE:

*Memorandum prepared by James Somerville for consideration of the National War Labour Board.*

Mr. Chairman and Members of the Board, first let me state that observations and views expressed in this memorandum are the outcome of personal experience, and presented on my own individual responsibility. Life-long interest in the organized labour movement, and years spent in executive position, acting in the capacity of representative for one of the long-established international unions operating in Canada, not only qualifies, but imposes a duty on me, although not now in office, to speak on the subject under inquiry, directing particular attention to events that have developed this impasse now threatening and hampering Canada's war effort, something deplored by organized labour as much as any other group of citizens.

Immediately following Canada's entry into the war, it was my privilege as chief executive in Canada for the International Association of Machinists representing a class of skilled workmen, essential and generally recognized as key men in the production of munitions, ships and armament, to subscribe a pledge voluntarily given the Prime Minister by the Trades and Labour Congress of Canada on behalf of its affiliated unions, offering the government full co-operation in prosecuting the struggle to a successful conclusion.

The Prime Minister's immediate reaction in words was encouraging, but as time passed and nothing done in fulfilment of promises of collaboration, suspicions were awakened in the minds of rank and file members that they were being let down by their leaders' no strike co-operative policy, and the suspicion has been further aggravated by the studied exclusion of labour from many important administration boards and policy-making control agencies directing industrial activities such as ship construction and aircraft production, practically non-existent before the war but now employing tens of thousands of men and women.

Further cause for doubt and suspicion came with the influx to Ottawa of dollar-a-year men, many of whom in private life known to be out and out hostile to labour unions, whose influence it is believed is responsible for numerous ill-advised and ill-considered action being taken inimical to maintenance of good labour relations, such as:—

1. Department of Munitions usurping the functions of the Labour Department, exercising dual authority over labour conditions and issuing rulings confusing alike to employer and employed.

2. Issuing through the Department of Munitions advice and instruction to contractors having the effect of making direct negotiations between employer and employed abortive.

3. Interference by the Department of Munitions & Supply in the free and proper functions of Conciliation Boards.

4. Sending telegrams to employers urging seven day week operations without regard for wage and working conditions mutually agreed to in conference between company and union representatives.

5. Failure on the part of the government to apply principles enunciated in Order 2685 in government owned and operated plants leading private employers to look upon the order more or less as an appeasement joke on labour.



As a matter of fact the average wage earner looks upon the government and particularly the Department of Munitions as dominated by interests more concerned with blocking labour expansion in membership and power than in all-out production. Labour sees little hope for the application of industrial democracy or a new world after the war while still being denied the elementary right of free association, claimed and exercised by employers themselves as members of employers associations, chambers of commerce, etc.

I suggest immediate legislation outlawing company unions and implementing principles outlined in order 2685.

Halfway measures will not be accepted, or serve at this late stage to win back respect for orderly procedure involving interminable delays and waiting for decisions, nor will further restrictive measures suggested by employing interests help the situation.

With painful recollections of jobless years behind, and with visions of a new world to come labour will continue organizing in spite of all opposition demanding its rights and a partnership in industry that will ensure the common man an equitable share in the national income.

The American Civil War was not begun to free the black slaves yet in the middle of that struggle President Lincoln saw its true meaning and eloquently pictured it in the following words:

Fondly do we hope—fervently do we pray that the mighty scourge of war may speedily pass away. Yet if God wills that it continue until all the wealth piled up by the bondsmen's two hundred and fifty years of unrequitted toil shall be sunk, and until every drop of blood drawn by the lash shall be paid for by another drawn by the sword, the judgments of the Lord are true and righteous altogether.

And so is indicated that which may well be the end and outcome of this great global war, which, beginning as a struggle against aggression eventually reveals itself as a scourge fated to continue after enemy defeat, until the evils and injustices inherent in the present age-old system of exploitation are fully recognized and removed forever. Until this is accomplished and justice enthroned, whatever the cost may be, still let it be said, "The judgments of the Lord are true and righteous altogether".

I have confined my presentation to one aspect of the problem you are dealing with which to my mind is important. The whole foundation of successful labour relations is based upon proper collaboration between the representatives of the parties. When you raised the question this morning as to what was a company union I was reminded of a statement that you might have seen yourself in the press the other day when the manager of the Consolidated Smelters at Trail, B.C., Mr. Blaylock, expressed a great deal of concern because the international unions had invaded that industrial plant and were destroying the happy relations that had existed in that plant for many years. I know something of the conditions in that plant and while it is true there has been no labour disturbance there for quite a long time, because of the years of depression that existed prior to the war, when I was representative of the machinists union I was requested by a group in that plant to go in and help to organize. I did not do it for several reasons. One was that I was very busy and had so many things to do, and another thing was that I knew that any attempt to comply with their wishes would result in disturbances in that plant, just as has happened in the neighbouring state of Montana in the smelter there where a company welfare union was existing in the Anaconda Company. There were disturbances there which resulted in bloodshed before the men were given the right of freedom to join and sign agreements with the union.

Men will submit to those conditions and I do not care how you may define a company union but I would say that any organization promoted by the company

that is for its own purposes; I think in every instance it is to prevent the men from associating themselves with the groups of labour outside their own particular plant. The whole thing is conceived to keep the employees on that plant by themselves and not in a position to participate with any other workers throughout the country in promoting their welfare. I say that the company unions, whatever they like to call it, welfare association or anything else, have the same objective to keep the men from getting any relief from under it.

The CHAIRMAN: Thank you, Mr. Somerville.

Hearing adjourned until 10.30 a.m., May 5.

Pursuant to adjournment the hearing was resumed on Wednesday, May 5, 1943, at 10.30 a.m.

The CHAIRMAN: Mr. Ward, are there any others associated with you in the presentation of the brief?

Mr. J. B. WARD (General Chairman, Conference Committee, Standard Railway Labour Organizations): Mr. Chairman, we have quite a number here made up of the conference committee and the general legislative board of the railway brotherhood. We can supply you with the names later.

The CHAIRMAN: Yes, please, as long as the reporter has it for the record. Will you go ahead with your presentation?

Mr. WARD: We desire to submit the following memorandum:—

*Memorandum submitted by the General Conference Committee representing the eighteen Standard Railway Labour Organizations and the Dominion Joint Legislative Committee of the Railway Transportation Brotherhoods.*

OTTAWA, Ontario, May 5, 1943.

To the NATIONAL WAR LABOUR BOARD.

Gentlemen,—At the outset we express on behalf of those for whom we speak their appreciation of an opportunity to briefly place before you their views with respect to causes of labour unrest in Canada, but in doing so, we do not propose to speak for any class of labour except the 140,000 employees in railway service, for whom the following organizations hold working agreements:—

- Brotherhood of Locomotive Engineers
- Brotherhood of Locomotive Firemen and Enginemen
- Order of Railway Conductors
- Brotherhood of Railroad Trainmen
- The Order of Railroad Telegraphers
- Commercial Telegraphers' Union
- Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees
- Brotherhood of Railway Carmen of America
- Brotherhood of Maintenance-of-Way Employees
- International Association of Machinists
- International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America
- Sheet Metal Workers' International Association
- International Moulders' Union of North America
- United Association of Journeymen Plumbers and Steamfitters of the of the United States and Canada
- International Brotherhood of Blacksmiths, Drop Forgers and Helpers
- International Brotherhood of Firemen and Oilers
- International Brotherhood of Electrical Workers
- Brotherhood of Railroad Signalmen



The purpose of your inquiry is outlined in the very comprehensive statement made by the Chairman of the Board in opening the preliminary sessions on April 15th, 1943, which includes the following significant paragraph:

We need hardly state that the Board enters into this inquiry without bias or prejudice in favour or against any individual, class or group whether in industry or labour. While we deplore, with all others, incidents or occurrences which disturb labour relations, to say nothing of retarding production efforts, we are mindful of the fact that there may be conditions, either in respect to existing relations between industry and labour, or in respect to the effect of some of the provisions of existing legislation, or even the administration of such legislation, which contribute to, and which at times may even create, the uneasiness and unrest which results in strike action. Our purpose in this inquiry is to get to the root of these matters so far as it is humanly possible to do so and to institute a process whereby, as a result of co-ordinated thinking and public discussion on these questions, appropriate remedies may be devised and recommended.

These considerations we regard as most appropriate and worthy of our best co-operation. They are of particular interest to those we have the honour to represent because of their experiences, especially during the past forty-four months, in an essential public service so vital to an all-out war effort.

To properly appraise the present situation, with its peculiar contributory causes, and in order to devise effective means for appropriate remedial action, we believe the government's original wartime wages policy and experiences thereunder should form the basis for immediate and searching review.

Prior to the declaration of war by Canada the government conferred individually and collectively with various representatives of labour when free and informal discussions of national problems and crisis anticipated were had. The plans and controls then under consideration were explained as intended to effect economies and to profit by experience of previous post-war period. Co-operation was assured with the understanding that should controls be effective and wage rates permitted to maintain proper standards, we would not be disposed to take advantage of the war conditions to improve wage rates.

Late in 1940, despite such controls, it was found that the cost of living had increased. In recognition of that fact by the government, in November, 1940, Doctor Stewart, then Deputy Minister of Labour, invited the Canadian executive officers of the so-called "running trades" organizations, for conference to consider matters of government labour policy during the war period. When the conference was held in Ottawa and an outline of the proposal was revealed, it was explained to the deputy minister that such matters would of necessity have to be considered by members of the general conference committee, and that if it were the wish of the department to confer with that body, the latter would be convened as quickly as possible.

On December 6, 1940, Doctor Stewart, Deputy Minister of Labour, accompanied by Mr. Chase, then of the Department of Munitions and Supply, conferred with the general conference committee representing all of the eighteen standard railway labour organizations having agreements with the Canadian National and Canadian Pacific Railways and their subsidiaries, and asked that consideration be given to a proposed policy of "freezing" wage rates with a provision that the employees would be

protected against any significant rise in the cost of the necessities of life, by the payment of a "cost-of-living bonus", in addition to compensation earned under provisions of the various agreements.

During the discussion between Doctor Stewart and the conference committee, he explained the principles of the proposed policy, and he stated that if this committee representing such a stable and substantial branch of labour in Canada, could approve of the policy in principle, it would be encouraging to the government and would, in all probability, give a lead to other industries.

The conference committee advised the minister that under the respective laws of the organizations represented, it (the conference committee) was without authority to approve of the proposed policy, unless and until such proposal had been submitted to the respective membership, which the committee undertook to do without delay and advise the minister of the results as quickly as possible. This information was duly conveyed to the minister by formal correspondence. The minister replied to the effect that the government could not afford to await the result of our submission to the men, and that the government would, under the circumstances, have to assume its responsibility and that Order in Council P.C. 7440 had been passed.

Mr. COHEN: I gather that in the paragraph where you talk about some conference with the representatives of the Department of Labour you refer to the interview of the 6th of December, 1940?

Mr. WARD: Yes.

Mr. COHEN: Was it at that time you were told that P.C. 7440 had been passed?

Mr. WARD: No, sir.

Mr. COHEN: That was some time later?

Mr. WARD: Yes, sir. To continue:—

Investigations of details and intent of that order (P.C. 7440) by repeated conferences and correspondence with labour department, revealed that its terms were to be the basis of agreement between employer and employee groups. It was clearly defined as a guide for boards of conciliation should disputes arise requiring the consideration of such boards. We were assured of government support in its application and that its announced purpose was to prevent disputes. The hope was expressed by the minister that employer and employee would co-operate in reaching agreements, on terms of the order.

Certain of the organizations represented in the general conference committee had, previous to conference with Doctor Stewart on December 6, 1940, taken the necessary preliminary steps to make formal request for increased wages. However, believing that it was a public duty in wartime to acquiesce in a trial of the announced government policy, further action for increased rates was withheld, and the general conference committee on behalf of the eighteen organizations, requested the Canadian National and Canadian Pacific Railways to pay the cost-of-living bonus as provided in P.C. 7440.

To our amazement, the railways refused and the matter was laid before the Minister of Labour and subsequently before the Minister of Transport when request was made that the government use its good offices to have its own policy made effective in the railway industry.

It was pointed out to the ministers, that notwithstanding the announcement of government policy, the largest employer of labour in Canada (Canadian National Railways) owned and operated by the people of



Canada was, in effect, setting the provisions aside when it declined to implement the policy enunciated. The government failed to influence the railways to change their position, and consequently the employees were obliged to apply for a board under the Industrial Disputes Investigation Act. The board was established by the minister on April 18, 1941, but hearings did not begin until May 8 and closed on May 14. The report and recommendation, however, were not released by the Department of Labour until June 30.

The report was unacceptable to the employees, and the good offices of the Minister of Labour, after considerable delay, finally resulted in an agreement in principle being reached, which, instead of being effective from the date of P.C. 7440 (December 16, 1940) was made effective June 1, 1941. Only after a delay of seven months and the loss of six months' bonus payment, were we able to apply in part the wartime wages policy which the government had proposed and urged that we accept.

While this compromise settlement was eventually accepted, nevertheless, the employees felt that the government was remiss in failing to insist that its official policy was promptly adhered to by the employers, especially by the Canadian National Railways. This agreement, entered into under such conditions, was unsatisfactory to the employees, with the result that there is a strong feeling the government had not kept faith in its undertaking given the general conference committee in December, 1940.

In addition to the agreement above referred to, supplementary agreements covering the respective classes were necessary. In this connection, added difficulties and delays were experienced by the mileage paid groups. The railways were requested to join in a submission to the government, as the author of the order, seeking interpretation of its intent and proper application. This they declined to do and only after approximately twelve months and repeated reference to the government, was a partial settlement on the basis of P.C. 7440, as originally proposed by the Department of Labour, made effective.

On November 15, 1941, Order P.C. 8253 became effective and made mandatory this wage policy. We were assured by the government that no change in benefits was intended, but merely a change to mandatory application and to provide administrative machinery. In such assurance, we were referred to section 18, reading as follows:—

18. This order shall supersede any inconsistent provisions of any dominion law, order or regulation, but nothing in this order shall deny to employees cost-of-living bonus or other benefits to which they were entitled up to November 15, 1941.

Despite such definite assurance and the understanding reached, respecting application of benefits determined and agreed to be due under P.C. 7440, the railways interpreted P.C. 8253 to warrant repudiation by them of the understanding referred to and to apply a formula of their own which reduced bonus payments to many employees.

Mr. COHEN: I had occasion to glance at that submission before the hearing this morning. Do you mind clarifying that? In what way did the bonus put into effect by the railways after the enactment of P.C. 8253 reduce the payments being made to your organization as a result of the decision arrived at by the conciliation board?

Mr. WARD: By reason of the fact that previous to this agreement being reached with the railways the cost-of-living bonus would be paid to the mileage groups in certain employment and when P.C. 8253 came in that formula was repudiated; in other words it was not carried on.

Mr. COHEN: What was the formula, if that is not troubling you too much?

Mr. WARD: I will read you a letter; I think it will answer your question. This is a letter addressed to Messrs. Chase, Ward and Ives, signed by the Deputy Minister of Labour, Dr. Bryce M. Stewart, dated November 13, 1941:—

OTTAWA, November 13, 1941.

DEAR SIRs,—With reference to the application of Order in Council P.C. 7440 to certain classes of railway employees, I sent under date of August 2, 1941, the following letter to Messrs. J. J. Hendrick, Vice-President, Brotherhood of Railroad Trainmen, and W. G. Graham, Vice-President, Brotherhood of Locomotive Firemen and Enginemen:—

In reply to your letter of July 30th, and in confirmation of our recent conversation, I am writing to say that your claim for a cost-of-living bonus, based upon twenty-six basic days or equivalent thereof per month, is a correct expression of the intent of Order in Council P.C. 7440.

As of this date I have advised Messrs. Hendrick and Graham as to the interpretation to be placed on the words "equivalent thereof per month." The letter to these gentlemen follows:—

Under date of August 2, 1941, at the conference on the application of P.C. 7440 with certain classes of railway employees, I wrote you as follows:—

In reply to your letter of July 30th and in confirmation of our recent conversation, I am writing to say that your claim for a cost-of-living bonus, based upon twenty-six basic days or equivalent thereof per month, is a correct expression of the intent of Order in Council P.C. 7440

There has been some confusion as to the meaning to be placed on the words 'or equivalent thereof'. Please be advised that the proper interpretation is as follows:—

Equivalent thereof per month means completion of or available for the minimum days or miles established for the different classes of service.

I shall be glad if, on this basis, you will confer with the representatives of the conductors and locomotive engineers with a view to an adjustment of the matters at issue.

You will note that I have asked Messrs. Hendrick and Graham to confer with you with a view to the adjustment of the matters at issue on the basis of the interpretation just given. I shall be greatly obliged if you will arrange a conference and advise me of the outcome.

Very truly yours,

BRYCE M. STEWART.

Mr. COHEN: I am not quite clear as to why there should be a reference to P.C. 7440 when P.C. 8253 was in existence already.

Mr. WARD: The matter was in state of controversy during all of that year and the final adjustment of it was only brought about at about the time P.C. 8253 was coming in.

The situation thus created caused many conferences, requests to government to make good its assurance and interpretation of its policy, through the National War Labour Board, and after some sixteen months delay the groups involved received a decision which fails to conform



with the definite and repeatedly confirmed interpretation by the government of its own policy. To illustrate, we quote provisions of P.C. 7440, section 5 (iii):—

Bonus should be a flat amount per hour or per week uniform for all workers and calculated to protect the worker against increases in the cost of basic necessities of life.

The formula prepared and explained by the government on which the bonus was based on a 48 hour and one day rest in seven, was urged upon us. The mileage paid groups have never been successful in obtaining uniform application of benefits indicated by this formula, and as paid to others who work the hours it provides.

By the method of payments insisted upon by the railways, contrary to the interpretation by the government but permitted by it and approved by the board, some employees are required to work the equivalent of 40 to 50 days per month to qualify for the full bonus paid factory workers and others for 48 hours per week. The effect is a saving to the employer at the expense of the worker.

Such experience borders on deception and discrimination. Despite repeated pleas that the government redeem its pledge, no effective response or practical help was given. The legal technicalities of various orders were referred to as a basis for denials received. That attitude indicates that the government assumed that the traditionally conservative policy of these organizations guaranteed no militant action. They could be brushed aside by dilatory tactics, their plea and the government's pledge ignored, while wheels that squeaked loudest received the grease.

When, in December, 1940, the government's proposed policy was explained to the general conference committee, the latter were led to believe that the proposed order would freeze wages at the 26-29 level, except where it could be shown that such wages were subnormal and that the cost-of-living bonus, to be calculated on the increases in prices of the necessities of life would be a flat amount to all.

When the minister announced the then new policy in December, 1940, as outlined in P.C. 7440, he gave a press release, reading in part as follows:—

Wherever it is found, however, that the purchasing power of basic rates has been impaired as indicated by the cost-of-living index of the Dominion Bureau of Statistics, an offsetting cost-of-living bonus may be granted. The principle on which the bonus is based is a democratic one which recognizes that the burden of a rise in the cost of the necessities of life falls without discrimination on all classes, and the bonus is therefore to be a flat amount uniform for all workers not recognizing any differentials in wages or salaries.

The above quotation seemed to be in line with the explanation given the conference committee, and we suggest, therefore, that we had every right to expect that such would be followed.

Subsequent events, however, show that the policy enunciated by the government has not been followed in all cases, as we read in the press where employees in other industries had had their basic rates increased to figures higher than paid employees performing comparable service in the railway industry. We learned also that the cost-of-living bonus in some industries was not paid in accordance with the provisions of the order.

Another phase of this policy which vitally affects the workers is the method employed in controlling and computing the cost-of-living index upon which adjustments in the wartime cost-of-living bonus are calculated. No housewife can reconcile the retail prices quoted in the index with those

she is required to pay at the stores. To this is related the net result to the workers of subsidies by government funds, utilized to maintain or depress the monthly index number. It can be readily appreciated just where this system of control is leading. The workers patriotically submitted to the freezing of wages after they had been promised and assured that the wartime cost-of-living bonus would safeguard them against increases in the cost of basic necessities of life. However, when an increase in the index number with a corresponding upward adjustment in the wage bonus is anticipated, the government by subsidizing commodities, controls the index. The cost of the subsidies is met by taxes largely collected from the workers. Thus, public funds are taken and utilized to control earnings and indeed may bring about a decrease in the existing meagre cost-of-living bonus.

As one example of the cost-of-living index being controlled by subsidies, we refer to the reduction in retail prices during December, 1942, of tea, ten cents a pound (rationed one ounce per adult per week); coffee, four cents a pound (rationed four ounces per adult per week); milk, two cents a quart and oranges approximately five cents per dozen. In announcing the reduced prices the Minister of Finance is quoted by the press as having stated:—

The government's decision to deal in this way with the cost of living has not been reached lightly. The cost to the treasury of this proposed policy will be large. It may reach \$40,000,000 a year but in the light of the great objectives for which we are striving, this cost, which after all is only one cent per person per day, is small indeed.

The index number for January, 1943, was 117·1, but had subsidies not been resorted to for the purpose of reducing the prices of those four commodities, it would have been 118·4, a rise of 1·3.

Mr. COHEN: What is the authority for that?

Mr. WARD: The Dominion Bureau of Statistics. We have the documents.

The savings from the reduced prices of rationed tea and coffee are infinitesimal. Oranges are a luxury purchased sparingly, if at all, by many workers and the saving is negligible. The only tangible saving appears to be two cents on a quart of milk. For this the worker is evidently taxed one cent a day for each member of his household while his wartime cost-of-living bonus is mechanically controlled. Should there be more than one member of the household gainfully employed the situation is all the more aggravated.

A family of four, none of whom is under twelve years of age, with one wage earner, consuming a full ration of tea or coffee, one dozen oranges and eight quarts of milk in the week, will have saved not more than twenty-five cents because of the reduced prices. It seems to follow that the wage earner is taxed twenty-eight cents in order that he may save twenty-five cents or less each week, and his wartime cost-of-living bonus will be adversely affected by the 1·3 control of the index.

Mr. COHEN: You say there is a tax of 28 cents; is that the equivalent of 1·3?

Mr. WARD: One cent a day for four members of the family seven days a week.

Mr. COHEN: Where do you get your one cent?

Mr. WARD: Mr. Ilsley gave it.

Mr. COHEN: You say 1·3?

Mr. WARD: Yes.

Mr. COHEN: I am sorry; go on.



With this experience we are concerned as to what extent the index is or may be depressed by the control through subsidies of these and other commodities.

It is our conviction that the emphasis of control is on the cost-of-living index rather than on the actual cost of living. We feel that inquiry into the policy of controlling the index by subsidies and the resultant additional taxation thereby created, will reveal the fact it has worked to the general disadvantage of the workers. Moreover, this condition will be accentuated, if and when, additional commodities are subsidized.

We would respectfully remind the board that at the time the wartime cost-of-living bonus was applied to the workers we represent, the Dominion government's wartime wages policy was silent on any plan or proposal to control the cost of living by subsidizing commodities. On the other hand we were then assured by government spokesmen that the operation of a cost-of-living bonus, as a substitute for higher basic rates of pay, would be of substantial value in preventing excessive taxation.

Another matter, perhaps beyond the direct scope of your inquiry, yet the cause of unrest and even strikes and serious consequences, involves rationing regulations and our men are resentful of the treatment received from the rationing authorities. They feel that while rationing may be necessary to some degree, no account is taken of the living conditions relative to their occupational requirement. It should be understood, of course, that the large majority of workers are family men, which requires that the normal three meals per day are prepared in the home, but thousands of workers are employed on shifts which do not correspond with meal time at home, necessitating meals for the worker at odd or staggered hours. Thousands of workers in railway industry find it necessary to carry lunches to their work, necessitating sacrifice by those in the home to meet the requirement of the worker. This condition is even more acute among train service employees, more especially in freight train service, where crews in some instances are away from home for from two to three or four consecutive days, and obliged to prepare their own meals, consequently it is necessary to take from home sufficient food to cover their entire absence. Would any reasonable authority argue that the requirements of such men are the same as those who are at home for all of their meals, yet there is no differential in their rationing.

The employees represented by the general conference committee pioneered among workers throughout Canada in giving the enunciated policy of the government a fair trial, and having had unsatisfactory experience, are seriously considering the advisability of declining to any longer acquiesce with it.

At the opening session of the board on April 15 last, it was stated the subject matters for discussion would appear to fall within two main categories, namely—"In The Field of Labour Relations" and "Wages, Cost-of-Living Bonuses and Associated Questions". We shall deal with these subjects under their respective headings, as follows:—

(1) *In The Field of Labour Relations*

- (a) In what way should existing legislation or administrative practice be revised, amended or implemented with a view to promoting harmonious labour relations and uninterrupted production?

The promotion of harmonious labour relations must primarily be based on a recognition of the right to collective bargaining to be exercised by mutual desire to accomplish such relationship. We regret that such desire on the part of the employer has not always been in evidence even in the railway industry and certain government agencies. We should,

however, point out that in cases where it is necessary to invoke the services of a board under the I.D.I. Act, the requirement of a statutory declaration that a strike is imminent, obviously is not conducive to good relations. When such boards are finally established after what appears to be unnecessary delay, experience has been that hearings are further delayed, and after some months a report will finally be submitted to the minister, which in some instances is unsatisfactory to his department, and result in further delay.

Mr. COHEN: Do you mind elaborating on that point? You say that if the report is unsatisfactory to the Labour Department that results in further delay. In what way—that it is not submitted to the parties?

Mr. WARD: If it is unsatisfactory under the terms of P.C. 7440 the minister can call the board back to amend it, which he did.

Mr. COHEN: That is, you are dealing with the right of review provided for in P.C. 7440?

Mr. WARD: That is right.

Mr. COHEN: Do you know of any instances in which that has been withheld in a report?

Mr. WARD: In the railway industry I do not know of any at the moment, but that was the one in mind when this brief was prepared.

In most instances, these delays are due to one or more members of the Board being otherwise engaged and in consequence thereof is unable to give the time and thought to the case, which it warrants. During such lapse of time, which to the employee is not always necessary, the relationship between employer and employee does not improve.

We believe that on application from a reputable labour organization then holding an agreement with the employer, or in the absence of an agreement, a majority of the craft involved authorizing a committee to make application, should be sufficient to warrant the establishment of a board without the necessity of taking a strike vote. We believe also that when a board is established it should be in position to proceed without delay and be required to submit its report within thirty days. Such board or comparable tribunal should be free to render a decision based upon the merits of the case, and not confined to any interlocked control by other government agencies or policies.

Mr. COHEN: Just what do you mean by that? Do you mind elaborating as to the way in which boards or comparable tribunals are being affected by what you refer to here as interlocked control by other government agencies or policies?

Mr. WARD: May I answer you by saying that when a board is established we believe its report should be based on the merits of the case without reference to the cost-of-living bonus or other agencies.

Mr. COHEN: You are not now in the age of P.C. 7440, something in the nature of a recommendation if I remember rightly to the boards of conciliation; you are now in the age when you have P.C. 8253 followed by P.C. 5963 which is a mandatory enactment of legislation. Are you suggesting that the board should proceed without regard to the terms of those documents?

Mr. WARD: No, I would not say that. But I would say that the report of the board should be based on the merits of the case without regard to governmental control or policies outside of the particular question.

Mr. COHEN: I appreciate the point you are making and I am not in disagreement with it, but I am trying to find out in what way the government policy has interfered. If this is embarrassing to you—



Mr. WARD: I do not find it embarrassing. We are speaking to people we have been associated with. It is fortunate we have not been tangled up with more of it, but that is what we had in mind. We think the report of the board should be based on the merits of the case.

- (b) Should any such legislative action be adopted as a war measure only under the authority of the War Measures Act, or should it be implemented in any way by legislative action, with a view to extending any of its principles and policies into the post-war period?

We believe that for the present at least, any legislative action which in the opinion of government is necessary should be only under the authority of the War Measures Act, and that our experience will determine the advisability of whether or not it should be extended to the post-war period.

- (c) What are the underlying causes of strikes or lockouts in wartime, and what steps should be taken to avoid or deal with strikes or lockouts during the war?

We in the railway industry have not yet experienced either strikes or lockouts, although we have already cited various underlying causes of these interruptions in wartime. It is our considered opinion that a recognition of the right to organize and bargain collectively is the first essential step towards the avoidance of strikes. With this should be the expeditious investigation into disputes.

(2) *Wages, Cost-of-Living Bonuses and Associated Questions*

- (a) Generally as to the existing provisions of P.C. 5963 and administration thereof?

The regulations now in effect, thought necessary by the government to prevent inflation, freeze wages and merely control prices. We submit P.C. 5963 and administration thereof should be amended to permit equitable adjustments, having regard to occupational conditions and cost-of-living relative thereto.

- (b) What if anything should be provided with respect to bringing about more uniformity in respect to cost-of-living bonus?

We believe that any cost-of-living bonus paid to railway employees should be an amount uniform to all.

- (c) To what extent and under what circumstances should new conditions of work be ordered or authorized, which involve increased cost of production?

To the extent necessary to eliminate existing injustice and inequalities.

Mr. COHEN: Do you mind if I ask you to illustrate a little more specifically as to that? What about the injustice? What do you say on the question of vacations with pay, where would that fall within your submission?

Mr. WARD: I would say that my first thought on this particular question was that it did not apply to the railways because they were not in production.

Mr. COHEN: You are being technical.

Mr. WARD: We have been living with technicalities for some time. We believe there should be nothing to hinder subnormal rates being corrected.

Mr. COHEN: That particular question, as I see it, does not deal with the rates, but with new conditions of work.

Mr. WARD: Yes.

Mr. COHEN: The question "under what circumstances should new conditions of work be ordered or authorized" as to cost may be read "notwithstanding that involved increased cost of operation."

Mr. WARD: That is right.

Mr. COHEN: Do you mind elaborating the phrase "to the extent necessary to eliminate existing injustice and inequalities"? I want to know what you have in mind which falls into the category of injustice or inequalities. The introduction of vacation with pay would involve new working conditions and increased expenditure. Would you mind being specific?

Mr. WARD: Yes, sir, but there is inequality in that very question. In the railway industry we have many employees granted vacation with pay but in other classifications such is not granted. That is injustice and that is inequality.

(d) Should there be a floor below which the wartime wages control order need not be operative?

We are opposed to any form of order which in any manner detrimentally affects the adjustment of obviously low rates of wages.

(e) To what extent should local, zone or national standards govern conclusions as to wages?

Speaking in general terms, the wage rates paid in the railway industries are on a national standard and local or zone standards do not govern conclusions as to wages.

(f) To what extent should a 'living wage' govern policies and decisions, and what are the data and consideration relevant thereto?

Our position has always been that a so-called living wage should not be the governing factor in determining wage rates. We submit that a worker is entitled to more than what is referred to as a "living wage".

Every person who receives compensation for service, be it either executive, supervisory, technical or by actual physical effort, is a wage earner, and the amount of compensation should be determined by the responsibility, training required, and by the service performed and the contribution made thereby to the industry.

If a living wage were to govern rates of pay, how could wage earners save anything to help them in declining years? How, for example, could the tax authorities acquire anything under the heading of "Savings" or how could the government appeal to working men to purchase victory bonds?

Returning to general observations on the wartime wages control order, the apparent method of controlling the cost of living as we understand the present method, is so foreign to the method indicated to us in 1940 that we are quite confident our men would not have assumed the responsibility of even a trial, had they foreseen a possibility of the methods of control being changed, as has been done.

Our understanding of the 1940 proposed control of "cost of living" was that there would be a careful policing of prices to the end that the manufacturer and so-called middle man would not be permitted to obtain an unreasonable profit on his part of the trade, and in that manner would ensure that no interest, large or small, would become millionaires at the expense of the war effort, as occurred during the World War No. 1.

However, the government began paying a subsidy to enable the retailer to sell certain goods at a price lower than would otherwise be charged, thus the taxpayer is being required to bear the burden in fixing the retail price at a figure below its production cost, in short—the price is fictitious. The artificial price figures thus produced are then used to determine the amount of the "cost-of-living bonus" to be paid wage earners, thus we have workers paying taxes, a portion of which is used to deflate prices in the index and results in the "cost-of-living bonus" being calculated on index figures, which do not reflect the cost of production. In short, the wage earner is trimmed both ways.



Complaint is made that cost of living index figures as compiled by the Dominion Bureau of Statistics do not reflect the actual purchasing price which the consumer is required to pay. The method of obtaining and the source of the figures used is seriously questioned because it is practically impossible to obtain goods in any city at the price shown in the index. We believe that in many classes of merchandise the quality is inferior, when compared with the pre-war period, consequently such goods, even if now purchasable at the same price, would not be equal in value.

The foregoing observations are only a very few of the factors which convince the worker that the index figures as presently compiled, are not a true and proper indication of retail prices. Obviously workers have no confidence in the compilation, and we strongly recommend that steps be taken at once to make such corrections as will reflect the true condition and also convince the workers that the index is correct.

The worker is not convinced that the amount of subsidy paid to keep the consumer's price lower than it would otherwise be, is always determined with due regard to all of the relative factors which should be considered, and whether such subsidy is necessary or whether it enables business to make a profit out of line with the sacrifices the worker is expected to make in having his wages controlled by governmental authority. We are not unmindful that labour has no representative on the boards exercising authority on these subsidies.

One other matter that workers feel is most unfair was authorization by governmental authority that those serving meals in public places could curtail the amount of beverage with meals, and as if that were not enough and additional charge over and above the price of the meal could be charged for such beverage. The result of this being that where the caterer was previously making a profit while serving the beverage with the meal, the beverage is now curtailed in amount and a charge is permitted, while the taxpayer subsidizes the dealer, notwithstanding that the quality, portions and service have generally speaking, deteriorated.

It is well known to all that labour has felt from the beginning of the war that an all-out war effort can only be achieved if government, industry and labour each make a co-operative contribution. To that end, each must have confidence in the other, each must treat the other as a partner without attempting to take undue advantage. The government has not, however, followed that course, evidently believing it was unnecessary, because various boards or controls have been established without regard to giving labour representation thereon.

We have noted an occasional government announcement to the effect that some specific person had been appointed to represent labour. The prisoner at the bar is entitled to select his own representative, and even under the I.D.I. Act, the worker is permitted to nominate his representative, and we object to the government naming any person to represent labour, unless and until labour has been consulted and permitted to make a nomination. While we represent some 140,000 railway employees, you may be interested to know that no nominee of this group is now a member of any authoritative government board, except one nominee on each of four Regional War Labour Boards, which we might say in passing have functioned more satisfactorily and with less criticism than other similar bodies.

While the importance of some of the items referred to may appear insignificant to some, a combination or an accumulation of what may at first appear insignificant very quickly assumes large proportions, and in fairness to your Board we wish you to know there is much resentment among railway employees. There is more labour unrest than we believe

is realized by the authorities, and we unhesitatingly repeat that had the railway employees we represent believed that the wage freezing and price control policy outlined by Doctor Stewart in December, 1940, would develop into what it now is, these classes would not have acquiesced in giving this policy a trial.

The labour movement is a constructive social force which cannot be legislated out of existence in a free country. Its problems cannot be solved nor should its worthy objectives be retarded by barriers of legal tactics or precedents.

This group is made up of responsible Standard Railway Labour Organizations and has functioned for considerably over half a century. For the policies we have followed in approaching and dealing with our problems during those years of rapid economic and social change, we cherish a wholesome pride. The sanctity of our contracts has been a guiding principle in those policies.

We desire to also emphasize that no other movement in our country has made a more worthy contribution to those harmonious international relations now existing with the United States than the organizations we have the honour to represent. This has proven to be a distinct asset during these trying years of Empire crisis.

The views expressed herein are respectfully submitted with the assurance of our continued co-operation in seeking industrial harmony and national unity.

I have been asked to crave your indulgence and the permission of your Board to hear a brief on behalf of Lodge 111 of the International Association of Machinists.

The CHAIRMAN: Supplementary to your brief?

Mr. WARD: Yes. The cause of it, may I say, is that while there are 3,200 members in that Lodge, and it was primarily made up mostly of railway employees, due to certain actions of the Department of Munitions and Supply and certain lay-offs which have taken place, certain men have had to go to other industries. For that reason they would like you to listen to their brief, and they have asked me to read it to you. I want you to know that in that capacity I am simply the reading clerk. The general chairman of that body is here. Mr. William Long is ready, willing and anxious to answer any questions you may ask in connection with it.

*Supplementary to the Memorandum Submitted by the Eighteen Standard Railway Labour Organizations*

*Submitted on Behalf of Victoria Lodge 111 International Association of Machinists, Montreal*

The main purpose of legislation and orders in council must be to achieve utmost production. Practically all industry to-day is related in one way or another to the war effort. Maximum production is one of the essentials for the defeat of our nazi fascist enemies. To achieve it conditions must be created which will bring about maximum production and the attitude and aspirations of labour play a leading role in this connection.

For that reason a new approach to the treatment of labour must permeate all our legislation not only in the wording of its enactments but what is more important perhaps, in their execution.



We consider the following as being basic principles.

1. The full and complete recognition of labour as the most important factor in production. Labour is the human force which vitalizes all raw materials and the elements of nature; the application of labour turns them into those products which make up modern life. In these days of stress, it creates the means to carry on the struggle for the survival of civilization and progress against the dark forces of nazism and fascism. Our enemies have, in preparing for this war and during this war attacked the dignity of man and alongside it that of labour which is gradually being dragged down to the level of slavery. Our forces, both in uniform at the front and those in the factories and farms must be made to feel by their treatment and the creation of favourable conditions whilst the war is on that with victory a new and better life in being prepared for the common man. This will lift the morale of our population and will aid our war effort in thousands of ways which we regret to say is not the case at present.

2. Labour can only achieve its full stature and dignity by the full recognition of its important social role and by the creation of labour management committees in industry. The individual workman to-day is exposed to overwhelming forces which condemn him to a hopeless condition of dependence and impotence. Only when acting in a concerted and organized manner has the individual working man a chance to assert his rights. The history of our modern industrial era has proven that trade union organization is one of the principal reasons for the improvement of his condition. The slavery of labour in axis countries was begun with the abolition of free trade unions. The keystone of industrial democracy is the right of labour to organization which must be fully protected and all legislation on the subject should aim to encourage it so that fuller industrial democracy may be achieved.

It must become a fundamental principle of our law that employees shall have the right to organize and form trade unions controlled by them only. All unfair labour practices must by proper legislation be prohibited. The following should be declared illegal as unfair labour practices by employers:—

- (a) To interfere with, restrain, or coerce employees in the exercise of their rights.  
(Employees shall have the right to organize in and to form, join or assist labour organizations and to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.)
- (b) To promote, assist in the promotion of, recognize, or in any way deal with a company union;
- (c) To dominate or interfere with the formation or administration of any labour organization;
- (d) By discrimination in regard to hire or tenure of employment or any term or condition of employment, to encourage or discourage membership in any labour organization, subject however to the right of an employer to enter into an agreement with a labour organization not being a company union and to require as a condition of employment membership therein, if such labour organization is representative of the employees as provided herein;
- (e) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony;
- (f) To refuse to bargain collectively with the representatives of his employees, whether or not such representatives are in his employ;

- (g) To maintain a system of industrial espionage, or employ or direct any person to spy upon or report the proceedings of a labour organization or the officers thereof, or the exercise by employees of their rights;
- (h) To threaten to or to discharge, demote, transfer, blacklist or impair seniority rights of any employee in connection with the exercise by such employee of his rights;
- (i) To threaten to shut down or move a plant in the course of a labour dispute;
- (j) To interfere in any manner with the conduct of an election of an officer or officers of a labour organization or union or of the representatives of employees;
- (k) To offer or to give bribes or gratuities, or otherwise engage in acts of favouritism, in return for cessation of union activities or the commencing of anti-union activities;
- (l) To enter into negotiations with or to solicit individual employees to cease union activities, or to resign from the union, or to refrain from striking, or to join a company union.

3. In order once and for all to avoid serious friction which has lately developed in the attempt of labour to organize, it shall be made obligatory for employers to recognize the representatives designated or selected for the purposes of collective bargaining by the majority of the employees in the unit appropriate for such purpose; they shall be the exclusive representatives of all employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

4. We believe that the stubborn resistance of some employers to recognize the organizations of their employees has been one of the principal causes of unrest in industry for the past several years. If this principle were enacted into law and enforced by the government, a number of strikes which have recently occurred would have easily been avoided. The attempts by some employers to circumvent labour organization by creating so-called company unions, by discrimination, favouritism and so on, have been harmful to Canada's war effort.

5. Labour's creativeness, intentiveness, ingenuity and co-operation in achieving better production, greater efficiency and industrial progress may best be utilized by the creation of active labour-management committees in all industry. Wherever labour-management committees have been established they have helped by improving the morale on the production front, by creating greater confidence of labour and by actual enormous assistance of working men in improving production. A recent report of the International Labour Office reveals that the Joint Labour-Management Committees in Great Britain resulted in "a substantial increase in output through pooling the technical knowledge of management and labour for better plant and work organization" and "in the promotion of morale through better understanding of the problems faced by both sides, and through more adequate appreciation of the urgency and importance of the industrial war effort."

We further believe that labour's contribution to improvement would be greatly aided by setting up special machinery in all large plants which would facilitate the testing of suggestions and inventions for improved production. This should be further encouraged by proper rewards and recognition of individual worker's ability. We believe that industry and the country at large would greatly benefit by it.



6. The present machinery created by the government for settling disputes between labour and management are woefully inadequate. The various orders in council on this subject do not seem to cope with the situation. It appears strange to a large part of our population that to enforce the recognition of labour organization, labour is often obliged to resort to strikes or stoppages in time of war which labour is unwilling to do and only uses as a measure in the last stages of desperation. Our present legislation should be so changed as to make it impossible for the refusal to deal collectively with labour whenever employees in a plant or industry express their desire to bargain collectively through an organization of their choice. The present delay in hearings on complaints of labour and in rendering of decisions, which often have taken many months have been a contributing cause to unrest in industry, and labour has often suspected that this has most of the time worked against its interests.

*A Fair Standard of Living and Social Security an essential for the creation of proper labour relations*

No matter what machinery may be created by the government for the regulation of labour management differences, they would be doomed to failure in advance unless certain minimum standards are created throughout the country to give the working man of Canada an opportunity to decently maintain himself and his family. At the present time the vast majority of our working population does not earn sufficient to maintain their families in health and self respect. According to the figures issued by the Welfare Council of Toronto, the annual minimum wage required to maintain a family of five in health and self respect adjusted to the higher cost of living of 1942 is approximately \$1,750. According to the Dominion Bureau of Statistics' figures of 1941, not more than sixteen per cent of our working population earns over \$1,500 a year. These figures show that a large majority of our working population is condemned to live on substandard conditions which do not make for happy labour relations in this country and so long as the earnings of labour force great sections of our population to live in conditions insufficient to maintain themselves, so long will dissatisfaction exist in our industrial world.

Labour's fear of loss of employment, social insecurity, the constant fear of inability to meet certain hazards of life, such as sickness, accidents, old age, are serious factors contributing to labour restlessness. Only a comprehensive scheme of social security guaranteeing the working man against the aforementioned hazards will go far in creating a better basis in labour relations in this country. We believe that real wage control should begin with establishing a floor, a minimum remuneration based on a fair standard of living rather than with a ceiling. Labour feels that the present legislation freezing low incomes as a permanent condition whilst at the same time continuing the more favourable position of the employing class does not contribute to national unity. This only tends to emphasize the gross inequality existing in our social fabric. On the one hand we have the freezing of labour's low standard of living and on the other the freezing of capital's high standard of living.

The freezing of labour's returns has in some provinces, particularly the province of Quebec, reached the proportions of a real menace to our national unity. A very large part of the working population of the province of Quebec, our second largest industrial province, has not only been the victim of a low standard of living which is also prevalent in other parts of the country, but its returns in the same industry has been lower as compared to their fellow workers in other provinces. This situa-

tion must be rectified both in the interest of the sturdy working population of Quebec as well as in the higher interests of national unity. Our war effort has been hampered to a serious degree by the unequal treatment of the working population in Quebec. It is not only a cause for ordinary labour unrest, but it is a serious contributing factor creating racial antagonisms and national disunity.

In considering the creation of a proper morale to aid in production and our war effort, immediate consideration must be given by the government to the serious housing shortage. We are in duty bound to call the attention of our government that in many industrial areas insufficient housing facilities exist and in some instances also insufficient transportation. Because of it many working men lack the facilities for rest and recreation, a necessary requisite for efficient production. This situation is growing more acute and greater attention must be given to it.

The CHAIRMAN: Now we will hear from you, Mr. Mosher.

Mr. A. R. MOSHER (Canadian Congress of Labour): Mr. Chairman, we wish to present the following memorandum:—

Mr. Chairman and Members of the Board:

1. The Canadian Congress of Labour wishes to commend the Board for undertaking, so soon after it had been reconstituted, an inquiry into labour relations and wage conditions in Canada. The need for such an inquiry is obvious to anyone who has the slightest knowledge of the present labour situation, as there is a widespread feeling of discontent and irritation among the workers of Canada, both organized and unorganized. The Canadian Congress of Labour, however, speaks only for the 175,000 organized workers who are members of its chartered and affiliated unions. It may be noted that the Congress functions as a central labour body for over two hundred local chartered unions, as well as for a number of national affiliated unions, and for the affiliated Canadian branches of international industrial unions, which, with the exception of the United Mine Workers of America, are affiliated in the United States with the Congress of Industrial Organizations.

2. According to the announcement made by the Board regarding the inquiry, the Board desires to obtain information and opinions upon which a report may be made to the Minister of Labour "with constructive recommendations for a co-ordinated program on labour relations and wage matters." At the preliminary hearings, the Chairman suggested that these two categories might be broken down into certain specific topics and the Congress proposes to comment on each of these topics, as outlined by the Chairman, together with such additional matter as appear to be relevant.

#### *Revision of Labour Legislation*

3. The first question asked by the Chairman was the following:—

In what way should existing legislation or administrative practice be revised, amended or implemented with a view to promoting harmonious labour relations and uninterrupted production?

4. This opens up the whole field of federal labour policy, which has been almost invariably a policy of restriction and repression of the labour movement. The basic labour legislation in Canada is the Industrial Disputes Investigation Act. This Act originally applied to transportation, mines and public utilities, but it was extended by Order in Council P.C. 3495, on November 7, 1939, to apply to almost any Canadian industry producing commodities required or intended for war purposes.



5. The Act functioned fairly well in the pre-war period, so far as disputes between well-established unions and their employers were concerned, notably in the railway industry. It gave an opportunity to each party to a dispute to set forth its arguments, and the judicial procedure ordinarily adopted assisted the process of conciliation. In many of the basic industries which were brought within the scope of the Act in 1939, however, labour unions had not been established, or were in the early stages of development, and the disputes which Boards of Conciliation and Investigation were asked to deal with arose out of the refusal of employers to recognize and bargain collectively with the union involved.

6. The fact is that the Industrial Disputes Investigation Act is not adaptable to the settlement of disputes involving questions of union recognition and collective bargaining, and the delay which the Act imposes upon a group of newly-organized workers intensifies their irritation instead of allaying it. The requirement that a strike vote must be taken before an application is made for the establishment of a Board of Conciliation and Investigation is another aspect of the Act which renders it objectionable in the wider field which it now covers. A well-established union may take a strike vote without undue excitement, but groups of inexperienced workers find it difficult to regard a strike vote as a mere formal preliminary to an application for a Board. Once they have voted for strike action, they naturally expect to go on strike, unless the dispute is satisfactorily adjusted.

7. In spite of the representations which the Congress has made on several occasions to the government, with regard to the desirability of eliminating the requirement for a strike vote, the only amendment to the Act was the one passed in June, 1941, which restricted the rights of the workers in the choice of representatives on Boards of Conciliation and Investigation.

8. It is scarcely necessary to refer to Section 502A of the Criminal Code, which was passed just prior to the outbreak of the war, and which ostensibly protected workers against intimidation or dismissal for belonging to a trade union. In practice it is almost impossible to secure conviction under this section of the criminal code because of various defects in language and construction, the chief one being the requirement that trade union activity must be the 'sole' reason for dismissal or discrimination. The Congress has repeatedly urged that this section be amended so that it would actually provide the protection which it purports to provide, but nothing has been done in this respect.

#### *A Declaration of Policy*

9. Shortly after the outbreak of the war, the Prime Minister gave assurance to a labour delegation that legislation establishing a satisfactory labour policy would be adopted. It was not, however, until June, 1940, after a strong and representative labour delegation had renewed the demand for an adequate labour policy, that the government passed Order in Council P.C. 2685. This is, in fact, not an 'order' at all, but a pious gesture. It consists merely of a series of declarations such as that 'employees should be free to organize, free from any control by employers or their agents,' and that 'employees, through their officers or other representatives chosen by them, should be free to negotiate with employers or the representatives of employers' associations concerning rates of pay, hours of labour and other working conditions, with a view to the conclusion of a collective agreement.' The order in council, however, provided no protection for the right to organize or to negotiate with employers, and was utterly ignored by them.

10. It was also ignored by the government itself, as organized employees of crown companies were not permitted to negotiate with the managements of these companies, although they were under the direct control of the government. However, after strikes had been threatened in several crown companies, Order in Council P.C. 10802 was passed in December, 1942, permitting the managements to negotiate collective agreements. In spite of the recommendations made by the Congress to the government, the order does not yet apply to the Canadian Broadcasting Corporation or the National Harbours Board.

#### *Industrial Disputes Inquiry Commission*

11. Although the defects already referred to in the operation of the Industrial Disputes Investigation Act involved delay and consequent unrest among the workers, the government in June, 1941, passed Order in Council P.C. 4020, providing for the establishment of an Industrial Disputes Inquiry Commission to make a preliminary investigation into a dispute where a strike or a lockout had occurred or seemed to the Minister of Labour to be imminent, and whether or not a Board of Conciliation had been applied for. This order in council was amended in July, 1941, to provide that an Industrial Disputes Inquiry Commission might consist of one or more members, and that among the matters which might be investigated were allegations of dismissal or discrimination because of membership in a trade union. The result has been still further delay in the establishment of Boards of Conciliation and Investigation, whereas what was required was the speeding up of the procedure and the prompt hearing of and reporting on disputes.

12. Two additional orders in council affecting labour relations deserve comment. The first is Order in Council P.C. 5830 of July 29, 1941, which facilitated the use of troops in labour disputes. This order in council was hurriedly passed on the assumption that sabotage had occurred in a strike of aluminum workers at Arvida, Quebec, and it still remains in effect, in spite of the findings of a royal commission that the allegation of sabotage was unfounded. The other is Order in Council 7307, passed on September 16, 1941, which provides that no strike shall take place after a Board of Conciliation and Investigation has reported to the Minister of Labour unless a strike vote is taken under conditions prescribed by him."

I might comment there that the order in council is, I think, one of the most undemocratic pieces of legislation that was ever adopted in any democratic country—an order in council which provides that a majority of the employees, whether they can vote or not, whether some of them may be in the hospital, or in the bush, or in the old country, must vote before a strike can be considered as legal.

MR. COHEN: Not only that, but the majority have to be in favour of the strike.

MR. MOSHER: That is quite true. Based on the same democratic principle we probably would have no elected legislature or no federal government at the present time, because it will no doubt be recalled that in 1935 at the federal election, 171 members were elected by 35 per cent of the electorate, and in 1940, 178 were elected by 38.9 per cent of the electorate.

As was pointed out by the Congress when this order in council was passed, it imposed still further restrictions upon the rights which had been won by the workers after generations of struggle and sacrifice, without providing any means of removing the causes of industrial unrest, and had the effect of increasing discontent and distrust in the minds



of the workers, and thus hindering the war effort. The Congress urged then and subsequently that this order be withdrawn, and called for a reconstruction of the entire labour policy of the government.

*Adequate Labour Policy is Essential*

13. With regard, therefore, to the 'revision, amendment or implementation of existing legislation or administrative practice in the field of labour relations', the Congress would suggest that the Board recommend to the government that it undo what it has done and that it do what it has not done. Such sources of ill-will as the amendment to the Industrial Disputes Investigation Act, and Orders in Council P.C. 2685, 5830 and 7307, should be superseded by legislation which would protect the right of workers to belong to the labour union of their choice, and compel employers to recognize and bargain collectively with the bargaining agency which has established by vote or otherwise its right to represent the employees of a particular plant or industry.

Mr. COHEN: Had you any reason for excluding P.C. 4020 from the orders in council you suggested should be replaced?

Mr. MOSHER: I do not know whether it should be replaced, but it should be removed.

Mr. COHEN: Do you suggest it here?

Mr. MOSHER: You can add the other one to it without any objection from our party.

Such legislation should provide penalties for employers who interfere with, restrain or coerce employees in the exercise of their right to organize and bargain collectively, or who dominate or interfere with the formation or administration of any labour organization, or contribute financial or other support to it.

14. It may be taken for granted that labour organization is here to stay, and governments and employers might as well make up their minds that they will have to deal with labour whether they like it or not. Up to the present time, the federal Department of Labour has apparently endeavoured to maintain an attitude of neutrality towards labour disputes, intervening only when it was too late, and often aggravating a situation rather than conciliating it. If there are to be "harmonious relations and uninterrupted production in Canadian industry", so far as this comes under the jurisdiction of the federal government, a policy which will positively support and encourage the formation and functioning of labour organizations must be adopted, and employers who maintain the present widespread attitude of implacable opposition to labour unions must change their attitude or be subjected to appropriate legal penalties.

*Company Union Schemes*

15. It is scarcely necessary to point out to the Board the fallacy of many of the arguments brought forward by employers, employers' associations and "company union" stooges in opposition to genuine labour organization. Any other forms of association, such as plant committees, employees' representation plans, shop councils, etc., are a delusion and a snare, devised and maintained by short-sighted employers in the hope that they can prevent their employees from sharing collectively in the determination of wages and working conditions. The effort of employers to form company unions and to interfere in this way with the rights of the workers to organize in bona fide unions is probably one of the greatest causes of discontent among Canadian workers at the present time.

16. In the United States, where company unions once factors in the industrial structure. There can be in the very nature of the case no collective bargaining with a company union; an employer cannot sit on both sides of the table at the same time. Company unions, plant councils, etc., also prove ineffective because their officers are unable to represent themselves and their fellow-employees adequately, being liable to be dismissed or discriminated against by their employer if they take an independent stand in opposition to his wishes. It is significant that the employers themselves are usually fortified by legal counsel whenever they meet representatives of labour unions, though, by establishing company unions, they seek to deny the right of independent representation to their employees.

### *The Aspirations of Labour*

17. Much of the opposition of employers to labour organization and the willingness of some workers to fall in with the designs of employers is due to ignorance of the functions of the organized labour movement. While workers become organized primarily for the purpose of obtaining improvements in wages and working conditions, and the protection of seniority or other rights by agreements negotiated through the process of collective bargaining, the labour movement is interested in promoting the interests of the working class and of the nation as a whole in the widest sense.

18. The organized workers of Canada desire to follow the policies of their fellow-workers in Great Britain and the British dominions in becoming thoroughly organized in the economic field, and then developing to the point where a social order may be established on a basis of democracy and justice, and every citizen will have economic security. Obviously, company unions stand in the way not only of bona fide collective bargaining, but of the ultimate objectives of the labour movement. There can be no cohesion between company unions, since they are simply instruments of the employer, and the interests he has in common with other employers are presumably being taken care of by an employers' association of one kind or another. Furthermore, such isolated unions cannot co-operate with the autonomous bodies of organized workers. It is therefore essential, in the opinion of the Congress, that employers should be prevented by legislation from forming or associating in the formation of shop councils, or other company union schemes.

19. There is considerable misunderstanding as well with regard to the closed shop and the check-off. A closed shop is one in which, under the terms of a collective agreement, a worker must belong to the union, or become a member of the union, as a condition of employment. The check-off provides that union dues will be deducted from a worker's wages, and paid to a designated union official. While there is no necessary connection between the closed shop and the check-off, both are being increasingly demanded by the workers, and any labour policy adopted by the dominion government should authorize the inclusion of the closed shop and the check-off in collective agreements.

The CHAIRMAN: What do you mean there by saying "should authorize"?

Mr. MOSHER: I mean particularly that the placing of a closed shop clause or check-off in the working agreement should not be regarded as in restraint of trade or an illegal combination, neither should it be regarded as coercion.

Mr. COHEN: You use the word "authorize" as synonymous with "permit".

The CHAIRMAN: What you are saying is that if a closed shop or check-off is arrived at by agreement, there should not be anything put in the way of it?

Mr. MOSHER: That is correct.



*Temporary or Permanent Legislation*

20. The second question raised by the Chairman at the preliminary session of the inquiry reads thus:

Should any such legislative action be adopted as a war-measure only under the authority of the War Measures Act, or should it be implemented in any way by legislative action with a view to extending any of these principles and policies into the post-war period?

21. The Chairman referred to the fact that the question of labour relations was to a large extent within the field of provincial jurisdiction. So long as that condition remains, that is, until the British North America Act has been amended, any action of a general nature must be taken under the authority of the War Measures Act, except in the industries covered originally by the Industrial Disputes Investigation Act. It would be extremely desirable if the Canadian government were to establish a labour policy and procedure which might serve as a permanent basis of legislation on labour matters, and the Board is therefore urged to keep this objective in mind, even though the federal government may be required to give up the control it has assumed authority to exercise under wartime conditions. At any rate, such a policy should be established by Act of Parliament so far as the limited number of industries under federal jurisdiction is concerned, and this would serve as a model for provincial legislation.

*Strikes and Lockouts*

22. The third question asked by the Chairman is this:

What are the underlying causes of strikes or lockouts in wartime, and what steps should be taken to avoid or deal with strikes or lockouts during the war?

23. Strikes are a symptom of industrial unrest, and reflect the resentment of workers against a situation which they believe to be unfair. In the vast majority of cases, the object of the workers' resentment is the employer. However, there have been strikes in which government policy rather than the attitude of an employer has been the basic reason, while some strikes arise out of jurisdictional disputes between one or more unions.

24. Strikes can be avoided by giving the workers what they are entitled to receive, that is, decent wages and working conditions; by removing causes of irritation and distrust; by dealing promptly with grievances, and by applying in the field of industry the principles of democracy and justice which are so essential to peace and harmony in other spheres of human activity. Strikes cannot be stopped by imposing penalties upon the strikers, any more than a disease can be cured by punishing the patient.

25. Workers go on strike only when they feel that any other course of action would be ineffective. Their livelihood is bound up with the wages they obtain for their labour, and therefore most strikes occur only when the workers are seriously affected by the action or attitude of an employer. A strike is usually the culmination of a long series of unsettled grievances, and the ostensible reason may be quite inadequate to explain why it occurred. If, however, the federal government, with which we are here primarily concerned, could be induced to adopt a proper labour policy, and if employers could be induced to make terms with their organized workers, adopting the British practice of taking labour organization for granted as essential to good industrial relationships, strikes would be reduced to a minimum.

The CHAIRMAN: You practically say here that if you give the worker all he wants, there will not be any strike.

Mr. MOSHER: Not necessarily all he wants. I say give him decent wages and decent conditions and a fair opportunity to have his grievances dealt with promptly and not delayed over a long period of time, as has been our experience over a number of years, and I think most of the strikes would be eliminated.

The CHAIRMAN: On what principle would you have the determination made as to decent wages and decent conditions?

Mr. MOSHER: I think that can be very easily established to-day by scientific measurement. It is not difficult to find out what a human being requires in order that he may be able to live up to what one may term a decent Canadian standard.

The CHAIRMAN: What is the agency to determine that in the event of trouble?

Mr. MOSHER: You have in connection with this particular inquiry before your Board, under the wage control order, a central board and regional boards which should determine it and which should have an unhampered opportunity to determine it. I do not think that these boards should be restricted within the narrow confines of section 25 of P.C. 5963. The properly established representatives of the two principal parties, industry and the public, might very well be able to determine it. At any rate it would be well worth a trial.

The CHAIRMAN: How is strike action related to P.C. 5963?

Mr. MOSHER: Well, it is related to it in various ways. If the wage question is cleared away as a result of determination under P.C. 5963 promptly, or by any other method, it removes at least one of the very serious causes of strikes. In that sense it is related, because if after all we can obtain justice promptly I think the workers are not going to go on strikes, everything else being equal, through the decision of the Board.

The CHAIRMAN: You are rather implying that if the government lays down something as the law and that is not satisfactory to certain workers, the way to get it remedied is to go on strike.

Mr. MOSHER: Not necessarily. If we were living under fair and equitable laws I do not think we would have any general strikes throughout this country.

Mr. COHEN: Your proposition amounts to this, that if there is any considerable feeling among the workers that something is unfair it develops a state of mind which precipitates a strike action.

Mr. MOSHER: Exactly.

Mr. COHEN: As the Chairman points out, the policy is embraced by legislative enactment.

Mr. MOSHER: I have had some experience of the wage control order in council as a member of the National War Labour Board for some months adjudicating upon wage questions. The difficulty the Board found in many cases to my knowledge was not that the Board thought that the wages asked for or that the wages now in effect were low, but simply that the restrictions of the orders in council prohibited the Board from adjusting them because they could not be compared to the rate paid to similar workers in the same or a similar locality. In other words, the Board had to be damned for the inadequacies of the act itself. If we establish a board, either regional or national, I believe it is only fair and just that it ought to be given some scope to determine what wages are fair and just rather than to be circumscribed by the confines of section 25 of the Order in Council.



Mr. COHEN: I was reading through some of your propositions, and I have been comparing some of them. Paragraph 23 says, "there have been strikes in which the government policy rather than the attitude of an employer has been the basic reason." If by government policy you mean departmental policy in dealing with it reasonably, I can understand that statement, but if you mean by government policy some law, or order in council, that the government has enacted, I find it a little hard to follow.

Mr. MOSHER: Perhaps if I had expressed my own views in the way I would like to express them—but I know the people are tired of hearing me express them—I would have said, lack of government policy. So far as I understand it at least, there is no clear-cut and definite labour policy on the part of our present government. It is a makeshift hopping from one foot to another, and it is not removing the cause of irritation among the organized workers of the country.

Mr. COHEN: I am sorry to interrupt you. I was trying to get this clear in my own mind.

Mr. MOSHER: The memorandum continues:

26. Jurisdictional disputes can be avoided by the provision of machinery for the taking of a ballot under government supervision to determine the wishes of the employees involved in the dispute, it being understood that, in a democracy, the majority must govern. Every collective agreement should remain ordinarily in force for no longer than one year, and there should be specific means provided for the settlement of any jurisdictional dispute during that period, the change to take effect on the expiration of the agreement.

Mr. COHEN: There was some discussion yesterday between the Chairman and other members of the Board and Mr. Bengough on the question of dealing with disputes arising out of the interpretation or application of collective agreements.

Mr. MOSHER: Yes, our position is the same.

Mr. COHEN: Perhaps before you get away from that part of your presentation you might indicate your position on that question.

Mr. MOSHER: I would be glad to. I am thoroughly in accord with the view that all disputes arising from the interpretation of the agreement might well be left to arbitration based upon the recognition of the workers' right to collective bargaining and protection against company unionism.

The CHAIRMAN: That would also cover disputes arising during the currency of the agreement?

Mr. MOSHER: That is what I mean—settled by arbitration during the agreement.

### *The Government's Wage-Control Policy*

27. The second category suggested by the Chairman of the Board deals with wages, cost-of-living bonus and associated questions, and the first specific topic is Order in Council P.C. 5963 and the administration thereof.

28. The Congress desires first of all to express its strong objection to the wage policy established by Order in Council P.C. 5963, to the extent that it is based on the assumption that there is a close and necessary connection between wages and prices. The Board would be well advised to make a thorough study of this matter, in view of the divergent and erroneous opinions which are current with regard to it. So many factors are involved in prices, and there is so much variation in the relationship between wages and prices in a specific industry that any generalization is

bound to be inaccurate. In some instances, a substantial increase in wage-levels would be reflected immediately in prices; in others there might be a drastic increase in wages with no appreciable effect on prices, and it is important that the Board obtain and utilize such information, rather than accept the limitations of an arbitrary wage-freezing policy, which may be wholly unnecessary in a particular situation. The Congress agrees fully with the necessity of controlling prices and avoiding inflation, but there are many factors in the inflationary process other than wages and wage-increases, and the Board should be in a position to determine the effect of any increase in wage-levels requested by the workers, so far as inflation is concerned.

#### *Administration of Wage-Control Order*

29. With regard to the administration of the order in council, the Congress believes that the Board should have authority to determine wage-levels and cost-of-living bonus in an entire industry, instead of being limited to dealing with an application from one employer or his employees, or from both parties applying jointly. The Congress further recommends that all hearings of national and regional boards be open to the public, that ample opportunity be afforded to both parties to a dispute to present their views, and that all decisions be a matter of public record.

30. With regard to the administration of the regional war labour boards, the Congress feels that their personnel should be thoroughly reviewed, and that provision be made for the recall of any unsatisfactory nominee; also that, at least for the provinces of Quebec and Ontario, full-time boards be appointed.

“What, if anything, should be done to bring about more uniformity in the amount of the cost-of-living bonus?”

31. The Congress believes that the cost-of-living bonus should be uniform for all workers in Canada, subject only to regional variations. The wage-stabilization policy attempted to establish the standard of living of all workers of Canada as at November 15, 1941, since it provides for cost-of-living bonuses to offset increases in the cost of living since that time. There is, however, a great lack of uniformity in the amount of the bonus, due to the fact that it was not made mandatory upon all employers from the start, and that less than the full bonus is paid where general wage-increases were granted or obtained after the war began. It may safely be assumed that such increases were almost invariably justifiable on other grounds than the increase in the cost of living. Furthermore, variations in the cost-of-living bonus are a prolific source of misunderstanding and irritation, and there should be uniformity for all workers in the same zone or region.

Mr. COHEN: Just at that point, I am not quite sure I understand the implication. Would you mind going back to the sentence at the beginning of paragraph 31, where you say, “The Congress believes that the cost-of-living bonus should be uniform for all workers in Canada, subject only to regional variations.”

Mr. MOSHER: I think paragraph 32 will answer your question.

Mr. COHEN: All right; please go ahead.

Mr. MOSHER (Reading):

32. The Congress believes that the present cost-of-living index is wholly inadequate to represent increases in the cost of living in different parts of Canada. Unquestionably, the cost of living has increased in some areas much more than in others, and it is unfair to the workers in those areas that they should be paid a bonus based on a general average for



the whole dominion. It is therefore urged that Canada be divided into zones or regions for the purpose of obtaining an index which will more accurately reflect the cost of living in each one.

Does that answer your question?

Mr. COHEN: Yes, I appreciate that now. You are suggesting there may have to be variations with regard to particular zones having regard to the cost of living?

Mr. MOSHER: Exactly.

To what extent, and under what circumstances, should new conditions of work be ordered or authorized which involve increased cost of production?

33. This is a matter which would presumably require investigation in each instance. As a general proposition, it is apparently based on the theory that since prices are stabilized, the employer is unable to improve working conditions where an increased cost of production would be involved. It may be, however, that the price of the particular product is unduly low, and ought to be increased. It is quite probable that under improved working conditions the productivity of the plant would be increased and the unit cost of the product would be lowered. The same result would be achieved in many cases where wages were increased, so that it is unjustifiable to assume that improvements in working conditions or increases in wages necessarily involve increases in the unit cost of the product. In any event, the Congress believes that unsatisfactory working conditions should in all cases be remedied, irrespective of any increased cost in production which might be involved.

The CHAIRMAN: We will adjourn now, Mr. Mosher, and hear you again at 2.30 p.m.

Hearing adjourned to 2.30 p.m.

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The hearing was resumed pursuant to adjournment.

Mr. MOSHER: Mr. Chairman, with your permission I would like to amplify briefly what was said in section 28 of our memorandum with regard to government wage control. I think perhaps I can do it much more concisely by reading a portion of the presentation we made to the federal government in 1942 dealing with the question. We said this at that time, and it stands good to-day:

It has been said that "the cost of living cannot be controlled unless wages are stabilized." That statement is absolutely unwarranted; except as a broad generalization.

28. The Commissioner of Labour Statistics for the United States, Mr. Isador Lubin, in an address delivered in Washington on November 13th, 1941, stated that control of prices was imperative, but he was definitely opposed to wage-fixing by law. So far as the relationship between wage-rates and prices was concerned, Mr. Lubin, who is a well known authority in this field, pointed out that wage-rate changes were not the primary factor in the price-increases that had occurred in the United States up to the time when he spoke; prices had gone up the most for goods in which labour was a relatively unimportant factor. The steel industry had granted a wage-increase of ten cents an hour to all employees in the spring of 1941; an increase in the price of steel was generally expected, but it was proved that the industry could absorb the wage-increase without increasing the price-structure on steel, since a larger output had off-set the higher cost resulting from the wage-increases.

Mr. Lubin emphasized the fact that labour is only a part of the total cost, which also includes raw materials, transportation, rent, insurance, taxes, etc. The actual cost of labour in terms of total cost, he remarked, may run from less than 3 per cent in cigarette manufacturing to over 60 per cent in bituminous coal mining. Furthermore, labour costs are not necessarily proportioned to wage-rates. Studies by the Bureau of Labour Statistics of wage-increases by several firms indicated that increased labour productivity and better morale among the workers kept the labour cost per unit from rising proportionately, and in some cases it was lowered.

29. Mr. Lubin concluded, "In a free economy such as ours, wage-relationships are always changing. Wages are a matter of adjustment; they are the result of a system of voluntary collective bargaining accepted by both parties. But when wages are automatically fixed by law, one is at once faced with an endless series of problems, such as differentials between skilled and unskilled workers, differentials between men and women, differentials between cities and geographical areas. The only way to get more production, better efficiency and higher morale is to encourage industry and labour to iron out their wage problems in the daily course of their work through negotiation and voluntary adjustment.

30. Reference may also be made to the views expressed in this connection by Professor H. A. Logan, of the Economics Department of the University of Toronto. He states, in his pamphlet entitled, "Canada's Control of Labour Relations," that "as a preventative of rising prices, 'putting a ceiling on wages' may be characterized as a fragmental approach to controlling through cost. While labour is a factor in costs, and a very large element in some commodities, it nevertheless is only one element. Hence it is not permissible to argue in the glib language of 'the spiral' or 'the vicious circle' that a ten per cent rise in wages will be followed by a ten per cent increase in prices." "Again," he writes, "it is quite erroneous to contend that in wartime by keeping wages constant the prices of goods and consequently the cost of living will also be held constant. For prices are affected and in wartime they are led by demand rather than cost."

Should there be a floor below which the Wartime Wages Control Order need not be operative?

34. The Congress would answer this question affirmatively, believing that a minimum wage-level should be set by the Board below which wages might be left to negotiation with employers. When the Wages Control Order was adopted, the Congress urged that this minimum be set at 50c per hour, and it is still of the opinion that this suggestion should be adopted.

To what extent should local, zone or national standards govern conclusions as to wages?

35. The Congress believes that the general principle of equal pay for equal work should apply throughout Canada, and that wage-levels should be uniform for the same operations in the same industry no matter where it may be located. It is recognized that, under wartime conditions, certain exceptions are necessary, but the Congress is of the opinion that the present wide variations between wage-levels in identical types of occupations are wholly unwarranted. There should be no "low-wage" areas or provinces in Canada, and one of the objectives of organized Labour is to abolish them.

To what extent should a "living wage" govern policies and decisions, and what are the data and considerations relevant thereto?

36. The Congress believes that every worker is entitled to a "living wage" for himself and his dependents, and this does not mean at a sub-



sistence level. Living involves more than mere existence. The Board should be fully informed with regard to the budgets of Canadian families and the minimum income necessary to maintain a family in health, comfort and decency, for reference whenever arguments for approval of wage-increases are based upon these standards. The Board should furthermore adopt as a basic principle the necessity of raising wages to proper levels, leaving it to other agencies of the Government, such as the Wartime Prices and Trade Board and the Income Branch of the Department of National Revenue, to obtain any adjustments required to prevent any inflation which might result from such wage-increases.

Mr. COHEN: Just what do you mean by that?

Mr. MOSHER: If my meaning is not quite clear I would say this, that Mr. Ilsley through his income tax mechanism can very well draw off the surplus earnings of the workers or anybody else and insure that there will not be a large inflation. With that the Wartime Prices and Trade Board can regulate the price of commodities, and by doing so we feel that you can more equitably disperse the burden, and we will not have the workers in some parts of the country being made to suffer because they must pay the price that the higher paid working men pay. We felt that it would be more equitable to bring the wages up to a higher standard even if it means that all workers would have to accept a lower pay standard in order to make it possible to carry on with the war, but it should be possible to see that men doing the same work get the same wages within reason, and not one living on a higher standard than the other.

The CHAIRMAN: I think the income tax division takes care of that. I know they do in my case.

Mr. MOSHER: I can assure you there are many others in the same position as yourself. In spite of that I feel that for the workers who are low paid and have even less than I have after the tax collector is done with them; it is far better to take more from me and others in my category to level it off than it would be to keep the lower paid workers down during the war period.

Mr. COHEN: You confine yourself to two features, either a fixed price by the Wartime Prices and Trade Board, or taxation of extra earnings by the National Revenue Department, forgetting that at the moment there is unlimited scope to do that same thing without affecting any price ceiling, and that is through war savings bonds and certificates. Why therefore do you limit yourself either to having a price control to prevent inflation, or to preventing the working men from using their extra earnings by taking it in taxation, when the same thing can be done by their buying bonds or certificates?

Mr. MOSHER: It seems to me far more equitable to put people on a level. You cannot have absolutely equal sacrifice during the war period, but it can be far more nearly equalized over the war period by bringing wages up and if it does influence prices it is not going to bear harder on one group of workers than another.

Mr. COHEN: The only point I am making is that you suggest only two alternatives in respect to an inflationary result, either prices control or taxation. I am suggesting to you that another very sound direction is the purchase of a consumers' commodity known as bonds or certificates.

Mr. MOSHER: That is a purely voluntary proposition, but on the question of setting prices and income tax there is nothing voluntary to it. They simply tell you what you have to pay. I do not pretend to know it all, and there may be other reasons than what I have cited. I put forward only the things that it appeared to us would be helpful in correcting the situation.

The CHAIRMAN: As I understand it, at the time the brief on the cost of living bonus was introduced the considerations that were spoken of, or some of them,

at that time, were that the workers could either have a bonus against the increased cost of living, or wages could take their ordinary course with a control coming indirectly from the income tax. In other words if wages went up, the income tax attached at lower levels, and consequently it came back that way. That was one of the arguments I heard advanced at that time. I suppose you are not suggesting that the cost of living bonus should be forgotten and the income tax substituted?

Mr. MOSHER: Not at all. I am inclined to think the income tax should not apply to the cost of living bonus. After all, if the cost of living bonus has advanced as we have it now to \$4.25 a week according to the index we have, then you are not doing the worker very much good if you take \$2 away in income tax, unless that has a bearing on all other classes in the community to bring them down to the same level.

In other words, sub-standard wage-levels should be raised no matter what other adjustments may be necessary in the economic and financial structure of the nation. There is no justification, particularly at the present time, for paying a Canadian worker wages which are obviously inadequate to enable him to support himself and his family in a proper manner.

37. Under wartime conditions, it has been necessary to impose certain restrictions, such as rationing of commodities, upon all citizens, because of inability to produce or secure them in sufficient quantities. The workers share in the sacrifices thus involved, but the contention frequently heard that the workers should not seek to improve their living standards in wartime by endeavouring to obtain higher wages is wholly indefensible, particularly if their standards are at an unduly low level.

#### *Labour Representation on Government Bodies*

38. With regard to the other matters relating to "Labour relations and the furtherance of the war effort" the Congress believes that a serious cause of dissatisfaction is the lack of representation of Labour on Government bodies. At the present time, Labour has no representation on any single administrative body in the vast structure of governmental organization. Labour is represented on two or three advisory bodies, which have no responsibilities whatsoever, while the policies governing such important matters as selective service, price control and war-production are ordinarily determined without reference to Labour. The Unemployment Insurance Commission to which a representative of Labour had been appointed, has been deprived of its functions. For the most part, the "controllers" of industry who now determine policy carry on without the slightest recognition that there is such a thing as a Labour movement in Canada, and the utter disregard of the wishes of Labour in this respect by the Government does not create confidence in the policies adopted, or call forth the whole-hearted support of the war effort by the workers.

39. The Congress has on several occasions urged the Government to establish national industrial councils for each basic industry, in which workers and employers would be equally represented, with a view to studying the problems of the industry and co-ordinating its activities. Action was taken along these lines in the building industry several years ago, but it has been impossible to induce the Government to take any steps towards the establishment of similar councils in the other industries.

#### *Joint Labour-Management Committees*

40. Another aspect of this matter of representation is the formation of joint labour-management production committees, particularly in



plants engaged in the production of war materials. In Great Britain, the initiative was taken by the Government in establishing such committees in the Royal Ordnance plants and in dockyards, but little or nothing has been done in Canada by the Government to encourage action along these lines. Obviously, as has been pointed out to the Government, employers are unwilling to give their workers the recognition which the establishment of joint labour-management production committees would involve; they prefer to regard the workers as so much raw material, without any ideas or opinions of any consequence. The Congress would strongly urge that, in its report to the Minister of Labour, the Board should recommend the immediate formation of national industrial councils and joint labour-management committees, particularly in view of the fact that lay-offs in certain industries are inevitable, and these could be discussed beforehand with the proposed councils and committees. Such action would at least give the workers a feeling that their representatives had had an opportunity to express their views in this connection.

41. In other industries, owing to lack of co-ordination between various firms, there is a great deal of loss of time and waste of material. The workers are well aware of the inefficiency and the lack of planning and co-ordination which result in waste, but they are helpless even to protest against such conditions, and the situation would be quite different if labour-management production committees were widely established.

#### *Labour's Rights and Obligations*

42. The Congress desires to express the opinion that the organized workers it represents are fully aware of their responsibility for the furtherance of the war effort, and the promotion of the public welfare. In general, however, labour has not been given the respect, the recognition, or the protection to which it is entitled, and it is for this reason that the workers have, in certain circumstances, adopted drastic methods in the effort to obtain what they felt they deserved in the way of wages and working conditions. The attitude both of employers and governments has been such that the workers have been unable to place confidence in them, and they have therefore been forced to depend upon their own unaided strength in their struggle for economic justice.

43. If organized Labour were recognized as a partner with industry and the Government, in the war effort and in the field of production, it would undoubtedly fulfil any obligations which it might be required to assume. Labour does not ask any rights without a willingness to accept commensurate responsibilities.

#### *Summary of Recommendations*

44. In conclusion, the Congress desires to review briefly the recommendations it has made in this memorandum. In the first place, the basic need in the field of Labour relations is the adoption by the Federal Government of a Labour policy which will be positive, comprehensive and unequivocal in its attitude toward Labour.

Mr. COHEN: It might be all of those things and still not satisfactory from your point of view?

Mr. MOSHER: That is quite true, but to-day we have not got even that.

It is of the utmost importance that the Government should reverse its policy of restriction and repression, and endeavour to encourage rather than restrain the development of the Labour movement. The Government should realize that, so long as it fails to protect the right to organize and bargain collectively, and so long as workers must fight for that right against the opposition of employers, industrial strife cannot be avoided.

If the workers have the same right to organize for the protection of their interests as employers freely enjoy, they may properly look to the Government for protection in the exercise of that right, and whatever legislation is necessary for this purpose should be adopted either by Order in Council or by Act of Parliament, preferably the latter.

45. It is unnecessary to go into the details of such legislation, as the Board is no doubt fully informed in this respect. Presumably, however, the experience of the United States in this field would be extremely valuable, both positively and negatively. Industrial conditions in Canada are in many respects comparable with those of the United States and the Labour movement has developed along similar lines, meeting the same problems and facing the same obstacles. Certainly, nothing less than the protection afforded organized Labour by the National Labour Relations Act in the United States should be provided in Canada. The Congress believes that the general principles adopted in that legislation would be wholly applicable to Canada, and that their adoption would unquestionably promote industrial harmony and the furtherance of the war effort.

#### *Company Unions Should be Outlawed*

46. Specifically, such legislation should fully protect the right to organize in the union of the workers' choice, and to bargain collectively with employers. Machinery should be provided for the determination of the bargaining agency in all cases where this is a matter of dispute. It should be made an offence under the legislation for employers to refuse to bargain collectively with the bargaining agency which has established, by vote or otherwise, its right to represent the employees; to dismiss or discriminate against employees for union membership or activity, or to dominate or interfere with the formation or administration of any Labour organization or contribute financial or other support to it. In other words, company unions should be outlawed.

47. On the other hand, if any organized group of workers can establish the fact that it is not subject to domination by their employer, but does not wish to become associated with other Labour organizations, no interference with it would be warranted. Experience has shown that workers are often unaware of the aims and aspirations of the Labour movement, and this involves a process of education and general enlightenment which the Labour movement must maintain until all workers understand what Labour organization involves.

48. The Congress believes that an adequate Labour policy would provide machinery for the arbitration of any dispute arising out of the terms of a collective agreement. This function might properly be assumed by the National or Regional War Labour Boards.

Mr. COHEN: I take it from what you said earlier that by arbitration you mean a process that will be binding on both parties?

Mr. MOSHER: That is absolutely how I understand the word "arbitration".

#### *Unification of Labour Legislation*

49. The adoption of such a Labour policy as has been proposed would involve the repeal of Section 502A of the Criminal Code and of the amendment made to the Industrial Disputes Investigation Act in June, 1941, and the abolition of Orders in Council P.C. 2685, 5830 and 7307, as well as any other Orders or regulations which conflict with such policy. The Board should also recommend to the government that its Labour policy be drawn up in consultation with repre-



sentatives of organized Labour. The Congress believes that, instead of having a number of Orders in Council or Acts dealing with Labour relations, this subject should be fully covered by one Order in Council or Act of Parliament. The Industrial Disputes Investigation Act might, however, remain on the statute books, provided that it is amended in such a way as to eliminate the necessity for the taking of a strike vote before an application for a Board can be made.

May I just interject something there. After hearing Mr. Maclean yesterday and dealing with the delays as claimed in our memorandum, as to the need of having commissioners appointed to determine whether a board of conciliation should be set up, I can say with respect to the group I represent here to-day that we are not particularly concerned as to whom the government appoint, so long as they appoint somebody who knows how to handle a dispute. We have found in many years of experience, particularly since the government has set up a department to settle disputes, that we have been able to avoid the necessity of applying for a board by using the conciliator. I do maintain it is a delaying process, and if they will take away or relieve Labour of the penalties imposed by the Industrial Disputes Investigation Act, that strikes are illegal if they take place before the board has investigated the matter and reported, then we will have trained conciliators who will endeavour to adjudicate upon the dispute and bring about a settlement, and if they fail then you are relieved from the obligation of the investigation act. I am sure we would have no complaint about that, but we do not think we should have to go through that process of first taking a strike vote, then making application for a board, then having the commissioner appointed, who will then determine whether a board should be established, and then go through the procedure again before the board. That we think is the cause of a great deal of dissatisfaction and irritation.

To cite a case in point, there is a little group of 102 employees employed on a ferry boat route between Quebec City and Levis. It was nearly three months from the time the application was made for a board until the board met, and over four months before there was a report from the board. That, we maintain, is absolutely unnecessary delay, and something that has been a cause of friction and irritation which sometimes develops into strikes, regardless of what any leadership may try to do to keep the workers to a lawful code.

50. It is furthermore essential that the number of conciliation officers in the service of the Federal Department of Labour be increased, and that not only the appointment but the functioning of Conciliation Boards be expedited.

Reference was made by Mr. Ward to the delays that have occurred as a result of the fact that the chairman or some other member of the board has so many other duties to perform they have to postpone further hearings for a week or two or even a month. That is a matter which is very irritating to say the least.

In some instances, chairmen are appointed who are unable to give to the conciliation proceedings the time which is required, and the delays thus incurred usually aggravate the seriousness of the dispute.

#### *Wage-Increases and Inflation*

51. With regard to the Wartime Wages policy, and the administration of Order in Council P.C. 5963, the Congress believes that labour objects chiefly to the assumption that an increase in wages of low-paid workers would necessarily bring about inflation. When the first wage-

control order was passed in October, 1941, the Minister of Labour at that time, the Honourable N. A. McLarty, stated that it was not the intention of the Government to freeze unfair wages,—

Mr. COHEN: You have not the text of that statement on hand at the moment?

Mr. MOSHER: Not at the moment, but I shall be pleased to supply it to you.

and this statement was repeated by the present Minister of Labour at the Congress Convention in September, 1942. It is evident, however, that the Government is opposed to wage-increases generally, on the ground that inflation will result, and therefore the Congress urges that the National War Labour Board make a special study of this question in order that, if the apprehension of the Government is unfounded, there will be neither hesitation nor delay in approving wage-increases where wages are admittedly on a low level.

53. Furthermore, the authority of the Board to prescribe wage-increases should not be confined to the narrow provisions of Section 25 of the Order, which makes it necessary to find that wages are low in comparison with those paid to workers in the same or a comparable locality, before increases can be authorized or ordered. The Board should be free to decide on wage-increases on the basis of what it believes to be reasonable and necessary in the circumstances, having regard to all the factors involved.

54. The Congress urges further that the personnel of the Regional War Labour Boards be reviewed, and that full-time boards be appointed for the provinces of Ontario and Quebec. While some of the Regional Boards have functioned in a satisfactory manner, others have shown an obvious incapacity to deal with the cases brought before them. One of the most serious grounds of complaint with regard to both the National and the Regional Boards is the delay which occurs in disposing of matters referred to them, and the Congress believes that provision should be made for greater expedition in handling such matters.

#### *Labour Representation in Industry and Government*

55. Finally, the Congress believes that the Board should recommend to the Government the establishment of national industrial councils for each basic industry, and joint labour-management production committees, as well as the representation of Labour on all government boards, commissions, etc., dealing with any matters affecting Labour. It is urged that Labour be consulted before such boards are appointed, and that Labour be represented on administrative as well as on advisory bodies, in order to give the organized workers of Canada a sense of participation in the war effort, and to promote the application of democratic principles to government activity.

56. It is essential, in the interest of the war effort and of an ordered society, that the Government enjoy the confidence of the workers of Canada, and it is not too much to say that such confidence does not exist at the present time. The Government must adopt a different attitude towards Labour from the one which it now manifests, if it is to obtain the support of the organized workers, and if industrial harmony and an all-out war effort are to be achieved.

\* Mr. J. O'CONNELL-MAHER (Associate Deputy Minister of Labour, Province of Quebec; Member, Quebec Regional War Labour Board): Mr. Chairman, I would like, if I may, to read the brief which has been prepared by the Quebec Regional War Labour Board, enlarging upon some points as they come

\* For French edition of the following brief see appendix (1).  
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along. After presenting the brief I should like to make a statement on behalf of the Hon. E. Rochette in his capacity as Minister of Labour for the Province of Quebec. I will try to dissociate, as much as I can, the statement of the Regional War Labour Board from that of the Government of Quebec.

The Regional War Labour Board for Quebec has the honour to submit the following views:

1. At the outset, this Board will state that it constitutes, under the jurisdiction of the National War Labour Board, mainly an administrative body for the enforcement of Order in Council P.C. 5963; on account of its very nature, its members feel that their competence does not extend as far as to criticize the machinery of which the Board is only a part and whose duty it is to co-operate to the anti-inflationary policy of the Government of Canada.

2. The Quebec Board has been, in some instances, criticized by labour unions; following such criticism, no public statement was ever made and the Board went only as far as supplying all information outlining and justifying its actions to the National Board, the latter being the only authority to which it was responsible.

The Quebec Regional Board, just like any other body of its kind, had as essential duty the enforcement of Order in Council P.C. 8253 as replaced by Order in Council P.C. 5963; such Board being as a consequence of the principles embodied in the orders, a rampart against various demands for wage readjustments, fully realized that it would become a natural object of criticism.

3. It has been definitely pointed out that the Quebec Board had wilfully and unduly delayed rendering its awards:

- (a) The Board, when of unanimous opinion felt bound, before authorizing some general readjustments of wages, to look into such readjustments, their justification under section 25 of Order P.C. 5963 and their consequences; being professionally conscious of its duties, the Board has always directed an investigation by Minimum Wage Board or Parity Committee inspectors of wages paid in comparable industries and localities; such investigation being thorough, required extensive work so as to bring adequate results. After obtaining necessary information, the Board then granted fully or partly or turned down the petitions as filed.

I should like to refer to some of the figures which were given in the report by Mr. Pyle at the beginning of this conference. It is to be borne in mind that the cases decided by the Quebec Board constitute 21 per cent of the cases dealt with in Canada, which accounts for a percentage of 39.5 so far as the number of employees affected is concerned. It is felt that from the point of view of the petitions filed with the Quebec Board the consequences might have been greater on account of the greater number of employees involved. It must also be borne in mind that over 15,000 investigations have been made by minimum wage board inspectors since P.C. 8253 came into effect; 7,500 inspections have been made by parity inspectors. That means that before handing down awards the Quebec Board has been trying to justify those awards, and find out if the petitions were to be granted or not. The total inspections then would amount to 22,500 since December, 1941.

I think I am quite justified in stating before this Board that as a general principle criticism cannot be used as a scale of efficiency, or lack of efficiency, especially so far as Regional War Labour Boards are concerned. I do not think I need to comment further on that point.

- (b) Cases about which the members of the Regional Board did not share a unanimous opinion were, according to existing regula-

tions, referred to the National Board for consideration and guidance, the National Board has always been enforced by the Quebec Board. Such, for instance, was the procedure in the quite intricate case involving the industrial bonus and the cost-of-living bonus readjustment at the Montreal Tramways Company.

4. The Quebec Board has also been blamed by some labour organizations for delaying so long the standardization of the cost-of-living bonus in aircraft industries located in the Montreal area (Noorduyn, Fairchild and Vickers); to this, the Board may reply that the petition presented by the interested union was refused without delay, Order P.C. 5963 prohibiting at the time the computation of the bonus on a cost of living index previous to the date of the last general increase in wages. The former and the present National Boards, together with Honourable Humphrey Mitchell, Minister of Labour of Canada, have already stated that the Quebec Board award was within the scope of the order in council; such statement was true to the extent that the adoption of Order P.C. 2370 was necessary to enable the National Board to standardize the cost-of-living bonus in circumstances of the sort.

5. Is the structure of Regional Boards to be altered? Should it be established that the Quebec Board has specifically not lived up to its responsibilities, it would then become the duty of the constituting authority to modify or even to abolish it; however, the members of the Board do not believe that such is the case. Furthermore, the Board does not feel that cases could possibly be disposed of any quicker; it is composed of seven members having their respective personal occupations; these members have so far given one or even two days a week to the study of Board cases and they could not possibly be required to give more time.

Mr. COHEN: Do you care to comment on the suggestion made in two or three earlier briefs that so far as the Quebec and Ontario Regional Boards are concerned, and having regard to the volume of cases they have to handle, some consideration should be given to turning them into full time boards?

Mr. O'CONNELL-MAHER: Do you mean that I should comment personally, or on behalf of the Regional Board?

Mr. COHEN: I would appreciate your personal opinion.

Mr. O'CONNELL-MAHER: That would be not committing myself as Vice-chairman of the Board or as representing the Department of Labour?

Mr. COHEN: I do not want to put you in any embarrassing position; I am merely trying to get the benefit of your experience. You have had a great deal of experience in the Province of Quebec, extending over a number of years.

Mr. O'CONNELL-MAHER: I do not think it is embarrassing; but I do not feel I can commit myself in my official capacity. I believe this problem is more intricate than it looks. You have to take into account the composition of your Board. The principle on which the boards were composed has not been modified, and if it is to be modified, I believe the proper authorities would have to be consulted first.

Mr. LALANDE: Do you not think that a full-time board would operate more efficiently?

Mr. O'CONNELL-MAHER: You mean that more cases would be disposed of and in a proper manner?

Mr. LALANDE: Yes.

Mr. O'CONNELL-MAHER: It is not a question of disposing of more and more cases; we have to look at the composition of the board.

Mr. COHEN: You mean the personnel?



Mr. O'CONNELL-MAHER: Not only the personnel, but the retaining of the provincial government representation on the board.

Mr. COHEN: Would you be prepared to express an opinion on that subject at this time?

Mr. O'CONNELL-MAHER: Still speaking as a private citizen, I feel it is absolutely necessary that there be provincial government representation on that board, since jurisdiction over wages and labour conditions have always—although temporarily they are not, but they will be after the war—been under provincial control. It is the only link we can have between the federal and provincial rights.

Mr. COHEN: How would that fit in with the suggestion that something in the nature of a permanent board should be set up to devote full time to these duties?

Mr. O'CONNELL-MAHER: Referring to the National Board as the authority to which the regional boards are responsible, I believe if you find that the cases are not being disposed of quickly enough by the Regional Boards, that arrangement could possibly be made, but speaking personally I do not think it would be a better arrangement to have a permanent board sitting six days a week instead of the two or three we now sit.

Mr. COHEN: The main point, as I understand it, is that with the present board composed of the Minister of Labour representing the provincial government, and representatives directly from industry and labour, it cannot give full time to the work. Do I take it that is your position?

Mr. O'CONNELL-MAHER: It could be arranged for the board to have more assistants. Speaking as a private citizen, after sitting on the Board and acting as Vice-chairman, I can say that we have disposed of as many as a hundred cases in one day, on account of the cases being well prepared by the executive officer after investigation by parity inspectors. It is not the small cases that can bring about criticism; it is the larger and more important cases that take some investigation. And—still personally speaking—you take the case of the aircraft industry in Montreal; even if you had a board sitting three, four or five days in the week it could not have produced more results. The Quebec Board is handling from 100 to 140 cases a week, and that requires two to two and a half days. The cases are well prepared and the information is presented to them. It is not the duty of the Board to go out and look for information.

The CHAIRMAN: Do I take it then that you are emphasizing as much the time element that is necessarily taken in preparing the cases for hearing? You mean that it takes considerable time for the executive officer and his assistants and the inspectors to prepare the case? That is really what you are commenting on?

Mr. O'CONNELL-MAHER: Yes.

The CHAIRMAN: I can see that.

Mr. O'CONNELL-MAHER: To continue:

The members are unanimous in their opinion that Board awards have been handed down very rapidly, excepting of course very few cases requiring justified and special investigation.

Should Regional Boards be re-organized on a basis similar to that of the National Board? If the federal authorities so believe, it is their duty to act accordingly. In such an event, Regional Boards would, however, lose the existing and highly efficient co-operation from employer and employee organizations, direct representation of capital and labour being eliminated from Regional Boards. In the specific case of the Province of Quebec, there are three labour organizations having full right to representation on the Board. Nevertheless, should the National Board not be

satisfied of the conduct of some members, their mandate may following a recommendation to the Federal Minister of Labour who is responsible of their appointment, be withdrawn.

6. Existing co-operation between the National Board and the provincial authorities being essential, is to be maintained; such co-operation would be jeopardized should the Provincial Minister of Labour or his representative no longer be called to act on the Regional Board. In Quebec, the Regional Board could then possibly lose the co-operation and services of approximately two hundred Minimum Wage Board and Parity Committee inspectors; the provincial authorities could evidently not leave full and uncontrolled jurisdiction to a federal agency over the inspection forces of the Quebec Minimum Wage Board or of Parity Committees. It would then be necessary to appoint new and consequently untrained inspectors, such appointment being detrimental to the operation of Order P.C. 5963; furthermore, taxpayers at large realizing the increasing cost of policing service, could voice very legitimate objection; it is already a well known fact that management has become quite annoyed of repeated visits by inspectors of all sorts.

7. The Quebec Board believed that the operation of the Quebec Collective Agreement Act with its extension feature could be used with good results; in all cases deemed advisable; such comment is presented solely from the point of view of administrative procedure.

Mr. LALANDE: Could you elaborate on that point? Exactly what do you mean when you say that from the point of view of administrative procedure certain features of the Quebec Collective Agreement Act could be used with good results?

Mr. O'CONNELL-MAHER: I will deal with it from that point only; I will come back to it later. In Quebec we have a Collective Agreement Act governing industries or trades, and in order not to bring about a lack of operation of our legislation, as a board we receive petitions. Take for instance the building industry—

Mr. LALANDE: You mean the Regional Board?

Mr. O'CONNELL-MAHER: Yes. The Board received a petition for cost of living bonus, and the employers had to be notified of that petition. Later, after the award had been rendered, the same employers had to be notified of the award. It seems quite simple, but if you realize that there were 2,700 employers involved, it means that 2,700 notices had to be served by the Board, and ten days later 2,700 awards had to be handed out. It means a lot of work. The procedure could easily have been simplified if the board could have used the extension feature of the Quebec Collective Agreement Act. It would have meant the publishing in the *Quebec Gazette* of one notice, and thirty days later the publishing of an order in council and the same result would have been reached. That repeated itself in Quebec and several districts in the province. In Montreal we had quite a number of industries that had to be dealt with in the same manner, and it meant a lot of work.

Mr. LALANDE: Your suggestion is that P.C. 5963 should possibly make room for this type of procedure?

Mr. O'CONNELL-MAHER: It had been requested by the Quebec authorities from a different standpoint. This is purely from the point of view of the administrative work to be carried out by the personnel of the board. I will come back to it later when I deal with it from the Quebec point of view.

8. This Board finds from experience that an easier and more accurate demarcation could be drawn between the scope of Order P.C. 5963 and that of Order P.C. 1549, especially when it is necessary to determine if



an employee is under or above the rank of foreman; it is suggested for that purpose to lay down a definite standard of remuneration, for instance, \$400 per month; any employee earning less than \$400 monthly would be governed by Order P.C. 5963 and the others, by Order P.C. 1549.

9. Statistics on the work carried out by the Quebec Board and believed to be useful are annexed to this brief.

The memorandum is signed by the Minister and Chairman of the Quebec Regional War Labour Board. Then there follows Appendix "A" and Appendix "B":—

*Regional War Labour Board for Québec*

Appendix "A"

Re Cases Submitted to The Regional Board for Quebec and Decided Upon from December 22, 1941, to March 31, 1943.

Total No. of Cases Received..	4,945		%
No. of Employees Concerned..		686,519	100
<hr/>			
Cases granted in full.....	4,325		
No. of Employees.....		525,476	87.5
Cases granted in part.....	164		
No. of Employees.....		30,666	3.3
No. of cases refused.....	456		
No. of Employees.....		130,377	9.2
<hr/>			
	4,945	686,519	100.
<hr/>			

Amount involved monthly, \$2,810,834.40.

We actually received an average of one hundred cases a week.

*Regional War Labour Board for Quebec*

Appendix "B"

*Re Enforcement of Federal Government's Policy:*

The Quebec Regional War Labour Board is enjoying the entire co-operation of the Provincial Department of Labour.

Approximately two hundred inspectors of the Minimum Wage Commission and the different Parity Committees are making inspections for this Board.

To date over fifteen thousand employers of this Province have been visited by the inspectors of the Minimum Wage Commission.

The inspectors of the Parity Committees are visiting the employers under their own jurisdiction, approximately 7,500, and are also verifying the monthly reports made by each employer to his own Parity Committee.

Therefore, the Regional Board is satisfied that the Wages Order is properly applied throughout the province.

Quebec, May 1st, 1943.

Mr. O'CONNELL-MAHER: That is the only official comment to be made by the Quebec Board, but should the members of the National Board think an investigation should be made by the National Board into the actions of the Quebec Board—we feel that it is the only authority competent for that duty—we would welcome it; but I repeat that criticism cannot be used as a standard of efficiency.

Mr. LALANDE: As I understand it, your reply to that criticism is that the Regional Board is confined in the scope of its jurisdiction to that laid down in P.C. 5963?

Mr. O'CONNELL-MAHER: Exactly; the Board felt that its decisions had to be lawful.

Mr. COHEN: There is only one suggestion I have to make with respect to your submission, and that is the point of view which the Quebec Board appears to have taken in approaching the matter. In the second paragraph of section 2 of your brief you say that the Quebec Board regards itself as "a rampart against various demands." I suppose what would be a more correct interpretation of the term used in the French text is that they are set up to act as a barrier. Are they set up to act as a barrier?

Mr. O'CONNELL-MAHER: It was meant to refer more to the order in council itself. It was to identify the work of the Board with the law that had to be enforced.

The CHAIRMAN: I suppose what you meant to convey is that what you felt you were limited to doing is contained in section 25 of the order in council. Your interpretation of that has been the exercise of your best judgment.

Mr. O'CONNELL-MAHERS: Yes, notwithstanding the fact that 87.5 per cent of the cases have been decided in favour of the applicant. Speaking again as a private citizen I felt that the Quebec Board might in some instances be criticized by the National Board for being too generous.

The CHAIRMAN: Well, as one private citizen to another, I do not think so.

Mr. O'CONNELL-MAHER: I should like now to make a few comments on behalf of the Quebec Minister of Labour, who on account of his duties in the legislature could not come to Ottawa. It is to be borne in mind that this statement will be made only from the provincial point of view and that they have nothing to do with the working of the Quebec Regional War Labour Board. They make no suggestions or recommendations to the National Board as to the responsibility of reorganization of the Regional Boards, in this specific case the Quebec Regional Board.

The Department of Labour of the Province of Quebec and the Government of Quebec would like to go on record officially to the effect that any contemplated modifications should be first dealt with between the federal authorities and the provincial authorities, in which case it is felt that the reasons for which the boards were organized under that status in 1941 will have to be discussed first with the provincial authorities before another point of view is taken. Suggestions or possibly recommendations on that point will at that time be made by the provincial authorities after discussion.

May I at this point insist on the presence of the Minister of Labour on the Regional Board. It is a point which was discussed a few moments ago but I feel that I have to come back to it. The representation of the provincial authorities on the board is the only remaining link between actual and temporary federal jurisdiction and provincial jurisdiction. According to the constitution the provincial authorities in Quebec feel that they have the right, even if there is a War Measures Act, to say what is going on within their jurisdiction in the province of Quebec. On that point, too, I should like to go on record to the effect that the Government of the Province of Quebec would like to be consulted by the federal authorities before any change is contemplated or made, and that the provincial government would like to be consulted in writing.

From the provincial point of view I should like to come back to the question of the Collective Agreement Act in relation to the operation of P.C. 5963. This demand has been filed quite a number of times before with the former National Board, but it was not granted.



The CHAIRMAN: You are speaking about a demand. Was it that that should be a condition of P.C. 5963 insofar as the Province of Quebec was concerned as to the adoption of the procedure under the Quebec Collective Agreement Act for the purpose of carrying it out in that particular province?

Mr. O'CONNELL-MAHER: Yes, that is the original set-up. It is not only hearsay; I was personally a witness to that. The Province of Quebec was the first to ask for such a feature in P.C. 5963, but some of the other provinces came forward later. I do not think it is necessary for me to go into all the details; I am quite sure you are familiar with them.

Mr. COHEN: I am not sure as to the demand. What is the nature of the demand that you say was made on behalf of the Quebec authorities either to the National Board or to the authorities here?

Mr. O'CONNELL-MAHER: The nature of the demand was that provision be made in the federal order in council for the Lieutenant Governor-in-Council of Quebec to extend the award rather than the Regional Board. We did not want to take out of the scope of the order in council anything at all. The Regional Board's decision was necessary in the first instance, and its jurisdiction was maintained; but we wanted a provision to authorize the Lieutenant Governor-in-Council to proceed after the decision from the Regional Board instead of dealing with all the individual cases.

Mr. COHEN: Could you give us some practical illustration of that?

Mr. O'CONNELL-MAHER: Take for instance quite a recent case, that of the fur industry in Montreal. The majority of employers in that industry wanted to modify their cost-of-living bonus. According to the present set-up each employer had to be notified that the petition had been filed with the Regional War Labour Board, and after the award was rendered in each case proper notification was made. From that point on the Quebec department published a notice in the *Gazette* to the effect that such cost-of-living bonus had been incorporated into the agreement, and thirty days later the *Gazette* published a notice to the effect that it was passed. We think the Regional Board should be competent to render an award covering the whole industry, and, if I may so, when using that feature of the Collective Agreement Act it is not only the Quebec Minister of Labour who is giving his opinion on the subject but also the lieutenant governor in council of one province. I believe his authority should be recognized and relied upon.

Mr. LALANDE: How would the Quebec Regional Board fit into a picture of that kind? It would be displaced, practically speaking, by the Lieutenant Governor-in-Council.

Mr. O'CONNELL-MAHER: Our opinion upon that point is that the Lieutenant Governor-in-Council cannot take any action before getting authorization from the Regional Board. We do not want to eliminate the Regional Board. We feel it is necessary to obtain the decision of the Regional Board.

Mr. COHEN: It seems to me then—the case you cite is the fur industry—you are going to deal with the regional board in the first instance. What are you going to do—select one employer as a “guinea pig” and say you make an application to the Regional Board—

Mr. O'CONNELL-MAHER: I am sorry if I have left you with the impression that we go after an employer. Usually they come running to us.

Mr. COHEN: How are they going to come running to you under the procedure you set up? If they do come running you have got them all and you have to deal with them. What do you save by going through the same process again under the Collective Agreement Act?

Mr. O'CONNELL-MAHER: I believe I did not make myself clear enough. Under the Collective Agreement Act the orders in council are enforced by

parity committees composed of employers and employees. This committee is in daily contact with the employees of every industry. The committee knows that at any given moment the majority of employers will want an adjustment or a cost-of-living bonus, and instead of coming before the board as individuals we want them to come as a group from a given industry and from a given area.

Mr. COHEN: Most of these groups in the building industry and the fur industry are represented by associations. Why can the association not make the application in the same way that a trades union makes it? You do not seek out individually each member of the union or each employee.

Mr. O'CONNELL-MAHER: There are employers who do not come along with the group and still are within the industry and have to face the same obligations and the same salaries.

The only remark I want to make on that Collective Agreement Act is that the Quebec Department of Labour feels just as strongly about it now as it did when the first condition was passed. If I may suggest it to you as a board, the Quebec Government would like the matter investigated and would like to obtain, if possible, a decision on that point.

Mr. LALANDE: Was that first brought up at the time P.C. 7440 was passed?

Mr. O'CONNELL-MAHER: When P.C. 8253 was discussed, P.C. 7440 was not approached. Whatever discussion was started prior to the drafting of P.C. 8253, the Quebec Government came forward with that demand. We were alone at the time, but later on some other governments came with the same application.

There is another point I should like to deal with, and that is the matter of conciliation and arbitration from the provincial point of view. Our arrangement in Quebec is quite different from that of Ontario from the point of view of cases coming under the Industrial Disputes Investigation Act, the provincial authorities following the arrangement with the Federal Government and having in mind that the extension of the jurisdiction of the Industrial Disputes Investigation Act did not take away, even if it temporarily superseded, provincial rights. They arranged with the Department of Labour to deal with the cases in the very first instance. For example, a dispute will crop up in the Province of Quebec; it is reported to us and we deal with it. Suppose it is reported to Ottawa; the federal Department of Labour contacts the provincial Department of Labour.

Mr. COHEN: The same situation applies in Ontario.

Mr. O'CONNELL-MAHER: Yes, but I believe the arrangement is different. We are trying not to deal with it under the federal act but under the extension of the provincial legislation. I believe that is the point where the arrangement is different.

Mr. COHEN: How does it manifest itself?

Mr. O'CONNELL-MAHER: We feel that we have had good experience.

Mr. COHEN: You mean from a conciliation standpoint?

Mr. O'CONNELL-MAHER: Yes, even arbitrations in some cases. I have in mind the case of Price Brothers, which cropped up about three weeks ago. The federal Department of Labour stepped in and we did not, but finally an arrangement was reached.

The CHAIRMAN: Have you a special act the same as the Industrial Disputes Investigation Act?

Mr. O'CONNELL-MAHER: We have the Quebec Disputes Act, which is just about on the same lines as the federal act but does not prohibit strikes and does not provide for compulsory arbitration. But we find that after discussion the interested parties come to the conclusion that arbitration is what they want.

Mr. COHEN: What does the act provide for?



Mr. O'CONNELL-MAHER: The setting up of an arbitration council, but not necessarily compulsory. The award is not to be enforced by both parties unless they agree to it previously to the setting up of the board. It is felt also on this point that even after the federal act has been extended the provincial rights will still remain and no further action should be taken. We want to go officially on record in that regard. No further action should be taken unless the provincial authorities are first consulted by the federal authorities, and also in writing. The Government of the Province of Quebec maintains that under the constitution it has its rights in the matter and that any modification of the constitution can have an effect upon provincial rights. That is the reason why my government is requesting consultation.

Before concluding I feel obliged to refer to some remarks which have been made about the situation in the Province of Quebec since the present meeting of this board began. I cannot go into it very deeply. The only thing I can say is that inasmuch as wages and conditions of labour are concerned, I am quite sure you will agree with me that it is dangerous to generalize and that it is easy to say that some areas of this country are low wage areas. I think it would be quite a tall order to prove it. It is felt that some statements may be made without the necessity of proving them. Unfortunately, Mr. Chairman, I have to take quite a contradictory attitude. In the Province of Quebec when we want to say that some employers are paying low wages, instead of saying it first and going out to prove it later, we get the figures first and then we say it.

Mr. COHEN: I must ask you if you are aware of the Board of Conciliation in the Peck Rolling Mills case. It was held that a wage of 32 cents an hour must within P.C. 7440 be deemed to be a reasonable wage because of conditions in the Province of Quebec. As a matter of fact the Order in Council which increased the minimum under the Act to 35 cents arose out of that.

Mr. O'CONNELL-MAHER: I am not saying that in the Province of Quebec the employers are paying the highest wages in Canada. I am just saying that it is hard to generalize in some cases, and that industries have to be thought of as industries and not individuals. You may have some industry operating in the province of Quebec which it cannot be proved is paying the lowest wages in Canada, but you have to prove it. I am just talking about generalizations. We cannot do otherwise; we cannot prove that we have higher wages than we have, and the only thing we can say it that we know what wages are being paid in our province in the various industries.

\* Mr. ALFRED CHARPENTIER (Canadian and Catholic Federation of Labour): Mr. Chairman and members of the National War Labour Board:

The Canadian and Catholic Confederation of Labour begs to submit the present brief to the National War Labour Board and appreciates this opportunity of expressing its views in connection with matters affecting labour relations and wage conditions in Canada.

On April 8, 1943, the National War Labour Board has issued a statement announcing "a public enquiry into matters affecting labour relations and wage conditions in Canada." "The situation prevailing in Canada to-day in respect to labour matters generally, and having particular regard to the existing war emergency, makes it appear necessary and advisable that an enquiry of this kind should be instituted at once."

Since the last few months, particularly, many strikes broke out, and the labour unrest is growing up to a point that endangers the future of the war effort of Canada. Many reasons have been given so far to explain the background and cause of the industrial strike. But it does seem that most of the difficulties of the present time have taken root in the failure to establish a comprehensive labour policy. The actual

\*(For Frech edition of the following brief, see appendix 2.)

war labour policy is at the same time too incoherent and complicated, when it should be more comprehensive and fair to all classes, and more effective in its application. Let us point out, moreover, that too many representatives of the people and too many employers still consider the working class as a lower class, refuse to recognize organized labour as an associate, and stand aside from labour organizations, thus depriving themselves of a most important co-operation for maintaining industrial peace and assisting in making more easily acceptable to the working class the war measures and sacrifices of all kinds, which are the necessary and unavoidable ransom of an allied victory.

The Canadian and Catholic Confederation of Labour has taken note with much interest the following observation made at the opening of the preliminary hearings of the inquiry, on April 15, by the Chairman of the National War Labour Board:

Before concluding this announcement, may I emphasize and make it quite clear that the board recognizes that the question of labour relations is within the field, to a large degree, of provincial jurisdiction, and that the enquiry is designed in no way to impinge upon any jurisdiction at present enjoyed by the provinces, except that under the emergency powers in time of war it may be necessary for the period of the emergency to make certain recommendations and do some things which for that period only may impinge upon that jurisdiction.

Our organization realizes pretty well that for the duration some measures have to be put in force under the authority of the War Measures Act, but we do think that better results could be achieved, in certain cases, in taking into consideration to a certain extent some existing provincial legislation.

The present brief is divided in two parts: in the first part the Canadian and Catholic Confederation of Labour will deal with matters actually embodied in some Orders in Council and on which the National War Labour Board wishes to have the viewpoint of all interested groups or individuals; and, in the second part of the brief, our organization will make suggestions in connection with a certain number of special subjects.

## I

### *P.C. 5963*

The original text of P.C. 5963, Wartime Wage Control Order, has been amended from time to time since it has been put into force, on July 10, 1942. The most important amendments have been adopted recently, by the following orders-in-council: P.C. 1141, of February 10, 1943; and P.C. 2370 of March 23, 1943.

The Canadian and Catholic Confederation of Labour gives support to the principle of an industrial court, as laid down in P.C. 1141. The points discussed so far by our organization are pertaining to the jurisdiction of the court. And our views, on that matter, are pretty well known.

There has been an important improvement in the application of the Wartime Wage Control Order when P.C. 2370 has been adopted, and our organization is pleased to express here its satisfaction in that connection.

The right to appeal provided for by an amendment to the by-laws of the National War Labour Board, on March 26, 1943, has been considered as a step forward, and we express, by the way, our appreciation of its enactment.

The Canadian and Catholic Confederation of Labour wishes now to submit the following suggestions in connection with P.C. 5963.

1. That section 25 to be amended providing that for the future no basis of comparison will be required in the case of weekly wages up to



twenty-five (\$25.00) dollars; and, to grant a request for increasing these wages, the War Labour Boards concerned shall be guided by common sense and financial ability to pay.

May I add here that the barbers in the Province of Quebec were just making steps towards approaching the authorities to increase their wages when the price control was set up and was just enforcing its new orders. The barbers generally speaking in Quebec, especially in Montreal and Quebec City, receive wages of \$23 and \$20 weekly; in some small towns the weekly wage is still lower, and they cannot increase the charge to their clients because they were forbidden to do so by the price control ceiling.

2. We believe that the cost-of-living bonus, to readily attain its purpose, should be compulsory, in all cases, from the date of the last general increase of wages, or, from August 1939, if there has been none since the beginning of the war. But requests could be filed with the War Labour Boards concerned, whether under section 43 or section 34, as amended.

Mr. COHEN: I am not quite sure that I follow what the proposition in that paragraph is. You suggest that the cost-of-living bonus be made compulsory in all cases from the date of the last general increase of wages or from August, 1939. That was the position of section 34 before it was amended by the order in council. You have referred to P.C. 2370. Are you suggesting any change in the cost of living bonus? There have been some suggestions here that the cost of living bonus should be paid, subject to one argument upon zones or regions, at a uniform rate.

Mr. CHARPENTIER: Yes, certainly at a uniform rate. That is what we need because the workers generally are demanding it.

Mr. COHEN: If you limit yourself in this way to the date of the last general increase in wages, are you not getting away from the principle of general uniformity as to the amount of the bonus?

Mr. CHARPENTIER: This is not elaborate enough, I admit that.

3. The payment of the cost of living bonus, for female workers, should be calculated by the same method than for male workers, that is to say in taking into consideration the points of the index instead of keeping the actual percentage basis.

4. If, under the law of any province, (we mean a Minimum Wage Act, and a Collective Labour Agreement Act as well) any corporation or body is empowered, apart from this order (P.C. 5963) to make requests to the Lieutenant Governor in Council in order to establish or modify ranges of wage rates, or single wage rates, or cost of living bonuses, or working conditions, the War Labour Board concerned may, in its discretion, direct that any such actions have force and effect in accordance with the law of such province to such extent as the War Labour Board concerned deems fair and reasonable and to be consistent with the provisions of P.C. 5963 as amended.

5. The Canadian and Catholic Confederation of Labour does not intend to criticize the proceedings and administration of the Regional Boards. We understand that these boards will submit their own views in proper time. But, we think advisable to suggest the appointment of a War Labour Board for Montreal, with a jurisdiction extended to the Montreal Island. In the greater Montreal, as we all know, there are over a million people, and in this area there are very important and numerous war industries.

Mr. COHEN: I do not follow that last paragraph. As I understand it you are suggesting that a separate regional board be set up for the island of Montreal?

Mr. CHARPENTIER: Yes.

Mr. COHEN: Is that because of the volume of work?

Mr. CHARPENTIER: Exactly, on account of the fact that most of the time the board has to sit two days, while in Quebec they sit one day.

*P.C. 7679*

It can hardly be dealt with P.C. 5963 without making reference to P.C. 7679, of October 4, 1941. This Order in Council has established minimum rates (25 cents an hour and 35 cents, as the case may be) for all employees working in plants or factories where war contracts and sub-contracts are carried out. The application of this Order in Council has caused serious unrest in the minds of a great number of employees.

The CHAIRMAN: That is the Order in Council which effects the minimum wages in factories where war contracts are being carried out?

Mr. CHARPENTIER: Yes.

The CHAIRMAN: In what sense is that causing dissatisfaction?

Mr. CHARPENTIER: Well, because in some factories where war contracts are being executed or carried on, P.C. 7679 is complied with, while it is not in other factories, in other workshops in another locality.

The CHAIRMAN: Do you mean for example a shoe factory where one may be making shoes under war contracts and paying 35 cents, while in another factory that does not apply and the wages are less?

Mr. CHARPENTIER: Not necessarily another shoe factory, but in another district.

The jurisdiction of P.C. 7679 has been more and more restricted. First of all, a certain amount of the cost of living bonus has been embodied in the minimum rates of the order (section 47 of P.C. 5963). Later on, all the employees not directly affected by the war contracts and sub-contracts, in the plants or factories where a certain percentage only of the workers were fulfilling war contracts, were excluded from the scope of the order.

Mr. COHEN: Was any specific pattern followed, can you say—a certain percentage?

Mr. CHARPENTIER: Yes, in the shoe industry or the millinery industry and in several other industries only the workers who do work on that part of the production which goes into war contracts are being paid, while the workers in the same factory doing contracts for civil business are not being paid according to P.C. 7679, but according to the order itself they are supposed to be paid, because those wages, 25 cents and 35 cents, have to be paid generally to all workers in one factory where a proportion of the production goes for war contracts. The workers in some factories are shifted from one kind of work to another kind of work, from war production work to civil work, the rates do change, and they ought not to change.

Moreover, the jurisdiction of P.C. 7679 was restricted when it has been decided not to consider as war contracts or sub-contracts the tenders of employers, the carrying out of which did not affect its regular production, that is to say the war contracts and sub-contracts that did not compel an employer, by formal specifications, to make special products not listed in his regular production.

The Canadian and Catholic Confederation of Labour is of the opinion that the cost of living bonuses, partly or wholly, should not be included in the minimum rates of P.C. 7679; and our organization suggests also that the minimum wage acts, in any province, should remain in force, without interference of the War Labour Boards, to increase minimum rates up to the rates provided for in P.C. 7679;



Mr. COHEN: That is, if his regular production was something that became a part ultimately of a war order he would not be treated as falling within

*P.C. 7679*

Mr. CHARPENTIER: He is not bound to comply with it, of course. and for higher rates, requests should be made to the Labour Boards, according to the procedure indicated in P.C. 5963.

*P.C. 2685*

This Order in Council, passed on June 19, 1940, is merely a declaration of principles, under the cover of a war measure. It is not enacted under the authority of the War Measures Act (c. 206, R.S.C. 1927) and no penalties are provided in it against its violators. Many employers have considered it as an anonymous letter, and after a first reading let it fall in the waste-paper basket. P.C. 2685 has caused many strikes, because labour considered this Order in Council as a binding one, and that was not the case.

The Canadian and Catholic Confederation of Labour does not intend, however, to suggest that P.C. 2685 becomes compulsory under the War Measures Act. Our organization is of the opinion that a federal-provincial conference should be called to study carefully industrial relations throughout Canada and work out drafts to pave the way for federal and provincial legislation as uniform as possible dealing with legal responsibilities of labour unions in their relations with government, with employers, and with their members. The Canadian and Catholic Confederation of Labour favours a legal statute for labour unions, taking into account the modern conception of industrial relations, but we are opposed to government interference in the internal administration of labour unions.

The CHAIRMAN: Just what do you mean by that? Are you anticipating some requirements with respect to having annual elections and publishing a financial statement? What have you in mind there?

Mr. CHARPENTIER: We expect to have certain regulations and conditions imposed upon a worker organization which must be observed very strictly in order that it may be entitled to operate and make agreements with the employers and even with the government. It has to be responsible to that extent.

Mr. COHEN: What is the interference in the internal administration of the labour unions that you register opposition to?

Mr. CHARPENTIER: Well, this means that there should be something embodied in the law with respect to the association that there should be no conditions whereby the government would be forced to interfere with the government of the trade unions.

Mr. LALANDE: Would you give an indication as to how far you would be prepared to admit government interference in the administration of the labour unions? The Chairman has mentioned financial statements each year, and yearly elections.

Mr. CHARPENTIER: Further on we outline general ideas touching on that subject.

The Canadian and Catholic Confederation of Labour wishes to make quite clear, once more, its viewpoint in connection with industrial relations, labour unions, collective agreements, strikes, closed shops, etc., and here are the main ideas already submitted in Ottawa, in Quebec and in Toronto, and now outlined before the National War Labour Board:

1. The two great labour liberties, in our opinion, are the freedom of association and the freedom of coalition;

2. The freedom to join a union does suppose, at the same time, the right to choose the union of one's own choice, and the right to resign from it;

The CHAIRMAN: Just to go back a minute; I wondered just what you had in mind by the expression "freedom of coalition".

Mr. CHARPENTIER: That means when the workers in a given factory or shop are not organized in a trade union they bind themselves together and demand something.

Mr. COHEN: That is a form of freedom. It is only the question of the degree of association.

Mr. CHARPENTIER: Yes, but it is an association. They have a regular voice.

Mr. COHEN: They have a running entity.

Mr. CHARPENTIER: Exactly.

3. The existence of any labour union properly constituted does include, we believe, the right to official recognition, the right of having delegates freely chosen to meet the employers, and the right of negotiating on behalf of its members;

4. Consequently, the law, in our opinion, should compel employers to recognize legally constituted unions, to welcome their authorized representatives and to negotiate collective labour agreements;

In Quebec we have a Provincial Syndicate Act which gives us the right to have legally constituted unions without going so far, if we do not wish to do so, as becoming incorporated bodies.

The CHAIRMAN: You may incorporate or you may not.

Mr. CHARPENTIER: Yes.

Mr. COHEN: Then what do you mean by the term "legally constituted union"? Do you mean that they are voluntary?

Mr. CHARPENTIER: I mean something uniform. The suggestion which you made yourself a while ago of compulsion to give the names of officers, the date of elections, the manner by which elections are being made, how the membership is considered or determined, what are the rights of the workers, and so on.

5. When only one labour union exists in a plant, this organization should be permitted by the law to enter into a closed shop agreement through the regular and free channels of collective bargaining, as far as the said union is a legally responsible body, and as far as its members will have legal protection against it if their rights are unjustly violated;

6. Such closed shop agreements already entered into would not be modified as long as they comply with the law;

7. When the employees of any employer belong to many labour unions,

—as for instance in Quebec we may have workers in one given factory belonging to one or two different unions. We have three bona fide unions in Quebec, and the same may apply in other industries if we consider the existence of independent unions.

whether craft or industrial unions, the law should contain some provisions in favour of a cartel which could carry the negotiations through successfully with the employer, and if a cartel is not possible, the law should contain provisions for the settling of the dispute through conciliation procedure, after consultation with the interested parties;



Mr. LALANDE: By "cartel" do you mean a committee representing the three unions?

Mr. CHARPENTIER: Exactly.

8. The law should definitely bar any association of employees really organized or financially supported by the employers or their agents (companies unions);

9. The second great labour liberty, the freedom of coalition, includes, in our opinion, matters connected with conciliation, arbitration, strikes and picketing;

10. Collective labour agreements, we believe, should contain proper machinery of conciliation and arbitration to settle industrial disputes;

11. No strike would be a legal strike unless the dispute has been first carefully studied and dealt with by a conciliation or arbitration of three members, and only if, of course, all interested parties have not previously engaged themselves to be bound by the unanimous recommendations or the majority report of the board;

12. The law should contain penalties against those who will not comply with it, and the cases, in our opinion, should be heard before a special industrial court created to handle such matters.

These are only general ideas to be a guide in the drafting of such a law.

Mr. COHEN: Would you mind going back to item 7 and assisting me in understanding how far you would go in this cartel suggestion? Is there any limitation in your mind as to what the size of a minority should be before it would be entitled to a place in the cartel? You might have a situation where 85 or 90 per cent of the employees were members of one union. I am just offering that as a suggestion. You might substitute any other figure, but at what point would a minority be large enough to warrant its inclusion in such a cartel?

Mr. CHARPENTIER: Under our present views we contemplate the possibility of granting the right to a minority union to be represented on the negotiating committee proportionately to its membership.

Mr. COHEN: But you might get to the point where you could hardly do that. Suppose you have 100 people and 95 belong to one union and 5 to another. What are you going to do in that case?

Mr. CHARPENTIER: Of course you are right that there must be a minimum number of workers required to belong to a minority group to be entitled to representation.

Mr. COHEN: That is just the point. I wondered if you had any ideas when a group becomes substantial enough to be regarded under this sort of arrangement.

Mr. CHARPENTIER: I am inclined to give that some consideration.

## II

Apart from the general matters dealt with in the first part of the present brief, the Canadian and Catholic Confederation of Labour would like to put the stress on certain specific and particular questions, the solution of which is important in the interest of the industrial peace and the war effort of Canada.

### *Strike Votes*

The federal legislation provides for two kinds of strike votes: (1) the strike vote to be taken in accordance with the I.D.I. Act (c. 112, R.S.C. 1927) to obtain the appointment of a conciliation board; such vote does not lead to a strike; (2) the strike vote provided for in P.C. 7307 when the

report and recommendations of a conciliation board have been turned down, and this vote, taken under the supervision of the Federal Department of Labour, is supposed to lead to a legal strike.

The Canadian and Catholic Confederation of Labour wishes here to refer to the first vote and point out that this method is obsolete and brings confusion in the minds of the workers and of the public generally. We suggest that this strike vote be abolished, now that preliminary enquiries are conducted by commissioners to establish the causes and circumstances of industrial disputes.

Mr. COHEN: That strike vote to obtain a conciliation board is non-operative the moment the board is appointed?

Mr. CHARPENTIER: We know many unions who did fulfil this request and establish a conciliation board and they did not have a strike vote. It is only formal. There is no real strike, but it compels the workers to say there is a strike threatened.

Mr. COHEN: So that they can be told not to strike.

Mr. CHARPENTIER: Yes.

### *Representation Votes*

The taking of representation votes in the plants, here and there, to know if the workers would like to give their support to such and such labour union, as bargaining agency, should not be granted on mutual consent or joint request of interested parties. Up to now, these representation votes have not given very good results, except for leading to over-bidding and unfair labour practices. They did not give information in connection with the membership of a union, because many workers who do not belong to any union, cast their vote in favour of one of the unions, without joining it, only in the hope of obtaining an increase in wages, if later on negotiations are carried out.

Mr. COHEN: I understand you to say that representation votes, as you call them, are really votes to determine the choice of the workers as to their bargaining agency. Why do you suggest they should not be granted except upon mutual consent—between the employer and employee, I take it you mean.

Mr. CHARPENTIER: No, the employer has to give his consent and it is only legitimate that he should be consulted—but between the two unions that are there.

Mr. COHEN: That assumes there are always rival unions, but happily that is not always the case. I take it where there is no rival union that the workers have indicated in some manner their desire to belong to a certain bargaining agency and the employer has declined to grant it. Is there any reason why the employer's consent should be required before the representation vote can be taken?

Mr. CHARPENTIER: There is no law compelling the employer and employees to submit to a representation vote.

Mr. COHEN: I just wanted to deal with a case that I thought might give you some help, a case where there is no rival union but only one in the field. Surely even in Quebec that prevails.

Mr. CHARPENTIER: Yes.

Mr. COHEN: Well, take a case of that sort. Suppose the union comes to the department and asks that a vote be conducted in order to convince the employer that the workers in that plant really want to be represented; is there any reason why the consent of the employer should be secured?

The CHAIRMAN: I do not think this paragraph contemplates a case of that kind. It deals with a case where there are two competing unions.



Mr. CHARPENTIER: Yes, exactly, it deals with such a specific case.

Mr. COHEN: Your submission is that representation votes are to be considered by us only in relation to a situation where there are rival union claims?

Mr. CHARPENTIER: Exactly.

The C.C.C.L. is opposed to the representation votes except on mutual consent or joint request of interested parties; and it is particularly opposed to such a method when there already exist validly drawn up collective agreements between employers and labour unions.

### *Income tax: cost of living bonus and overtime*

The Canadian and Catholic Confederation of Labour wishes to call the attention on certain anomalies with regard to the income tax, and about which many grievances have been filed with our offices. We realize that the government must tax the people and collect the taxes to pay its regular expenses and to finance, at least in part, the war effort of the country. We believe, however, that such taxes should be collected on the regular pay of the workers, excluding the cost of living bonus and overtime.

#### *Cost of living bonus*

It happens, in practice, that the cost of living bonus raises the income up to a level where the whole annual income becomes subject to deductions, or place the worker in a class of annual income where he is subject to heavier taxes. It has been fully explained, when P. C. 7440 was passed, that the cost of living bonuses are paid to help workers to meet the increase in the cost of living index, and not to be paid right back to the government as part of the income tax. The purpose of the cost-of-living bonus is thus completely missed.

#### *Overtime*

We can argue along the same lines with regard to overtime. When a worker has given a regular day of production, and when the requirements of the war necessitate overtime, he naturally hesitates under present conditions, because in addition to increase his physical fatigue, he finds himself placed on a level where his annual income is subject to deductions or in a class of revenue where he is subject to heavier taxes.

The Canadian and Catholic Confederation of Labour, therefore, concludes that, in the best interests of Canada's war production, it would be better if the cost of living bonus and overtime were not subject to income tax.

### *Unemployment Insurance and Selective Service*

What also causes unrest in the minds of the workers, in our opinion, is the actual confusion between unemployment insurance and selective service. The unemployment insurance and the employment service are no more under the jurisdiction of the Unemployment Insurance Commission, but under the control of a director who is a representative of the employers. The Canadian and Catholic Confederation of Labour believes that if, for the duration, the employment service has to be handled by a director, the jurisdiction of the Unemployment Insurance Commission should be maintained in connection with the unemployment insurance. The commission set-up comprises a representative of the Federal Government, one of the employers and one of the employees and the organized labour puts the stress on this set-up when the law went into operation.

Before concluding, the Canadian and Catholic Confederation of Labour wishes to point out that the business agents of labour unions who are authorized to give permits to their members, under the Selective Service regulations, should be authorized also to take the orders of the employers directly and fulfil them without delay after obtaining approval of the Selective Service officers.

We have our official journal *Le Travailleur*, as we call it in French, whose editor would wish to present a brief at some future time. Could I have from the board the assurance that it will be given attention if presented?

The CHAIRMAN: Yes.

Mr. CHARPENTIER: We simply would have to ask you.

The CHAIRMAN: Well, I think if you just communicate with the secretary, Mr. Pyle, he will arrange a time.

Mr. CHARPENTIER: Thank you.

Mr. LALANDE: Perhaps it would be clearer if in your first paragraph at the top of page 5 the English text instead of saying "the taking of representation votes in the plants here and there, to know if the workers would like to give their support to such or such labour union" were to read, "one or the other of two competing labour unions." Do you agree with that?

Mr. CHARPENTIER: Yes, I am putting that in.

Adjournment until 10.30 a.m., Thursday, May 6.





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**NATIONAL WAR LABOUR BOARD**

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**PROCEEDINGS**

**Official Report**

**No. 3**

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**SUBJECT:**

**Labour Relations and Wage  
Conditions in Canada**

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**HEARING: OTTAWA**

**DATE: MAY 6 and 13, 1943**



OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1943







## NATIONAL WAR LABOUR BOARD

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### LABOUR RELATIONS AND WAGE CONDITIONS IN CANADA

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Proceedings of Public Inquiry held in the Board Room of the Board of Transport Commissioners for Canada, Union Station, Ottawa, on Thursday, May 6, 1943, commencing at 10.30 a.m., and continuing on Thursday, May 13, 1943.

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#### PRESENT:

The Hon. Mr. Justice C. P. McTague, J.A., Chairman.  
Mr. J. L. Cohen, K.C., Member of the Board.  
Mr. Léon Lalande, Member of the Board.

D. G. Pyle, Secretary.

#### APPEARANCES:

H. W. Macdonnell.....	Canadian Manufacturers' Association.
W. C. Coulter.....	Chairman, Industrial Relations Committee, Canadian Manufacturers' Association.
W. E. Wilson.....	Chief Executive Officer, Manitoba Regional War Labour Board.
R. P. Jellett.....	President, Canadian Chamber of Commerce.
P. A. McFarlane.....	Chairman of Executive, Canadian Chamber of Commerce.
D. L. Morrell.....	Secretary, Canadian Chamber of Commerce.
L. R. Johnson.....	Saskatchewan Regional War Labour Board.
Adam Bell.....	Deputy Minister of Labour, Province of British Columbia, and Vice-Chairman, B.C., Regional War Labour Board.
L. D. Currie.....	Minister of Labour, Province of Nova Scotia; Chairman, Nova Scotia Regional War Labour Board.
Hon. Peter Heenan.....	Minister of Labour, Province of Ontario; Chairman, Regional War Labour Board, Ontario.
T. A. Sutton.....	Public Relations Counsel, Ex-Servicemen and Servicemens Dependents' League.
Leslie Morris.....	Editor "Canadian Tribune".
H. Mockeridge.....	President, Association of Employees of Canadian Car and Foundry Co. Limited, Steel Division, Longue Pointe.
M. Maloley.....	President, Propellor Division, A.E. of C.C. and F.
T. Scurfield.....	President, Turcot & Dominion Plants, A.E. of C.C. and F.
J. B. Stirling.....	President, Canadian Construction Association.
H. P. Frid.....	Chairman, Labour Relations Committee, Canadian Construction Association.
J. Clark Reilly.....	General Manager, Canadian Construction Association.
W. D. Black.....	Canadian Construction Association President, Otis Fensom.
E. F. Longfellow.....	Canadian Construction Association President, Canada Electric Co.
A. J. Hills.....	Chairman, National Joint Conference Board of the Construction Industry.
J. L. Kingston.....	National Conference Board of the Construction Industry.





# VOLUME III

(Hearings of May 6 and 13, 1943)

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## Appendices

*Soumis au Conseil National du Travail en temps de guerre par le Conseil Régional du Travail en temps de guerre pour le Québec*

*Submission of Regional War Board for Quebec*

QUÉBEC, 1er mai 1943.

Monsieur le Juge C. P. McTAGUE, président,  
Conseil national du travail,  
Edifice "Confederation",  
Ottawa.

MONSIEUR LE PRÉSIDENT,

Le Conseil régional du travail en temps de guerre pour le Québec a bien l'honneur de vous soumettre les vues suivantes:

1. Le Conseil régional déclare d'abord qu'en principe, il constitue un organisme de gestion pour la mise en vigueur de l'arrêté C.P. 5963, sous la juridiction du Conseil national du travail en temps de guerre. En raison de sa nature, il tient à préciser qu'il ne lui appartient pas de faire la critique de tout l'organisme dont il est partie et qui a la responsabilité de collaborer à la politique anti-inflationniste du gouvernement fédéral.

2. Le Conseil régional du Québec a été, à plusieurs reprises, l'objet de critiques de la part d'organisations ouvrières; il n'a jamais fait aucune déclaration publique; il s'est limité à fournir au Conseil national, envers lequel il était responsable, tous les renseignements de nature à expliquer et à légitimer sa conduite.

Le Conseil régional du travail, comme tous les organismes de ce genre, n'avait qu'un devoir: celui de mettre en vigueur l'arrêté C.P. 8253 remplacé par C.P. 5963. Le Conseil constituant, par sa nature même, une barrière contre certaines demandes d'ajustement des salaires, se rend compte qu'il ait pu naturellement s'attirer des critiques.

3. On a précisé que le Conseil régional du travail retardait à communiquer ses décisions.

- (a) Si le Conseil était unanime dans ses vues, il lui incombait toujours, avant d'agréer une modification générale des salaires, de se renseigner sur la nature des rajustements, sur leur légitimité en regard de l'article 25 de C.P. 5963. Par un souci de conscience professionnelle, le Conseil a toujours exigé que les inspecteurs de la Commission du salaire minimum ou des comités paritaires de la province lui fassent rapport sur les salaires payés dans des industries et des localités comparables. Ces enquêtes sont souvent très laborieuses et nécessitent beaucoup de travail si on veut qu'elles soient bien faites. Une fois en possession de la documentation nécessaire, le Conseil régional s'est prononcé sur les requêtes présentées, en les agréant, en les refusant ou en les modifiant, selon le cas.
- (b) Si le Conseil régional n'était pas unanime dans ses décisions, il a toujours référé au Conseil national, conformément aux règlements, le dossier à l'étude; le Conseil régional a toujours agréé les directives du Conseil national. Par exemple, c'est ce que nous avons fait lorsqu'il s'est agi de l'affaire très difficile du boni industriel et du rajustement du boni de vie chère à la Montreal Tramways.

4. Les organisations ouvrières ont blâmé le Conseil régional d'avoir retardé l'uniformisation d'un boni de vie chère dans les usines d'aviation de Montréal (Noorduyn, Fairchild et Vickers). Le Conseil a donné une réponse négative, dans le plus bref délai possible, à la requête présentée par l'organisation ouvrière

concernée. L'arrêté 5963 ne permettait pas de baser le calcul du boni sur un indice antérieur à celui de la date de la dernière augmentation des salaires. Le Conseil régional s'en est tenu à cette règle. Le Conseil national, l'ancien comme le nouveau, de même que l'honorable Humphrey Mitchell, ministre du Travail, ont déclaré que le Conseil régional avait agi dans le cadre de l'arrêté. Cela est si vrai qu'on a dû adopter l'arrêté C.P. 2370 pour permettre au Conseil national d'uniformiser le boni de vie chère dans certaines circonstances.

5. La structure du Conseil régional doit-elle être modifiée? Si on établit que le Conseil régional du Québec n'a pas rempli son rôle de façon satisfaisante, il appartient à l'autorité qui l'a constitué de le modifier ou même de l'abolir. Le Conseil régional du travail ne croit pas avoir failli à sa tâche et à ses responsabilités.

Quant à la disposition des cas, nous ne croyons pas qu'elle puisse se faire à un rythme plus accéléré. Le Conseil est composé de sept membres qui ont des occupations personnelles; ces membres ont sacrifié une journée ou même deux chaque semaine pour étudier les cas soumis: le Conseil ne peut leur demander davantage. Nous nous rendons compte que sauf de rares exceptions qui nécessitent des enquêtes particulières, le Conseil a toujours disposé rapidement des cas soumis.

Convient-il que le Conseil régional soit organisé sur une base similaire à celle du Conseil national? Si l'autorité fédérale opine pour l'affirmative, elle n'a qu'à agir en conséquence. Nous tenons cependant à déclarer que le Conseil régional perdrait l'avantage de contacts précieux avec les organisations patronales et ouvrières, par le fait de la disparition d'une représentation directe du capital et du travail sur le Conseil. Dans la province de Québec en particulier, nous avons trois organisations ouvrières; il convient que les trois soient représentées sur le Conseil. Si le Conseil national n'est pas satisfait de la façon dont les membres ont fait leur devoir, il peut toujours recommander au ministre fédéral du Travail de les changer.

6. Il est essentiel que l'on garde la collaboration entre le Conseil national du Travail et les provinces; révoquer la nomination du ministre du Travail ou de son représentant mettrait en péril cette collaboration. Dans le Québec surtout, le Conseil régional serait menacé de perdre la coopération et l'appui d'à peu près deux cents inspecteurs de la Commission du salaire minimum et des comités paritaires. On comprendra en effet que la province ne peut mettre à la disposition du fédéral, sans contrôle, les services du personnel de la Commission du salaire minimum et des comités paritaires. Cette carence obligerait le Conseil national à nommer des inspecteurs nouveaux et non qualifiés, ce qui ne faciliterait pas l'application de l'arrêté 5963. Bien plus, les charges des contribuables en seraient accrues et leur mécontentement se ferait sentir; beaucoup d'employeurs, en effet, sont déjà très ennuyés par les interventions d'inspecteurs de tous genres.

7. D'un point de vue purement administratif, le Conseil régional estime qu'il serait avantageux qu'on puisse utiliser la Loi de la convention collective et son procédé d'extension juridique, là où la chose est possible.

8. Le Conseil estime qu'il faudrait rendre plus facile la démarcation entre C.P. 5963 et C.P. 1549, lorsqu'il s'agit d'établir si quelqu'un est au-dessus ou en bas du rang de contre-maître. Il serait mieux d'établir de façon absolue un critère de salaire, disons \$400 par mois. Toute personne gagnant moins de \$400. serait assujettie à C.P. 5963; les autres, à C.P. 1549.

9. Nous annexons au présent mémoire d'utiles renseignements d'ordre statistique sur le travail accompli par le Conseil.

Bien à vous,

*Ministre.*

*Président du Conseil.*

# MÉMOIRE

*Soumis au Conseil National du Travail en temps de guerre par La Confédération des Travailleurs Catholiques du Canada, le 5 mai 1943*

MONSIEUR LE PRÉSIDENT,

MESSIEURS LES MEMBRES DU CONSEIL NATIONAL,

La Confédération des Travailleurs Catholiques du Canada, Inc., répondant à l'invitation qui lui a été faite, a l'honneur de soumettre le présent mémoire au Conseil National du Travail en temps de guerre. Elle est heureuse de profiter de l'occasion qu'on lui offre d'exprimer son opinion sur le problème complexe des relations industrielles au Canada.

En date du 8 avril dernier, le Conseil National du Travail a annoncé la tenue d'une "enquête publique en ce qui touche aux relations ouvrières et à la question des salaires au Canada." (...) "La situation qui existe actuellement au Canada en ce qui concerne la main-d'œuvre en général, eu égard particulièrement à l'état de guerre, semble imposer d'urgence pareille enquête."

La vie industrielle canadienne est sérieusement menacée, surtout depuis quelques mois, par des conflits et des grèves qui vont se multipliant. Les raisons les plus diverses et les plus contradictoires ont été données pour expliquer les causes du malaise actuel. Mais il semble bien que la plupart des difficultés de l'heure présente se rattachent au fait que la politique ouvrière du Canada est trop vague et trop compliquée, alors qu'elle devrait être mieux définie, plus facile à comprendre, plus juste et plus efficace dans son application. Ajoutons, de plus, que trop de gouvernants et trop d'employeurs considèrent encore la classe ouvrière comme une classe inférieure, refusent de reconnaître le Travail Organisé comme un associé, et ne lui font pas suffisamment confiance, se privant ainsi d'un concours précieux tant pour assurer la paix industrielle que pour rendre plus acceptables aux classes laborieuses les mesures de guerre et les sacrifices de toutes sortes, inévitable et nécessaire rançon d'une victoire alliée.

La C.T.C.C. a noté avec intérêt l'observation suivante faite par le Président du Conseil National du Travail, dans sa déclaration d'ouverture de l'enquête, le 15 avril:

"Avant de conclure, puis-je faire ressortir clairement que le Conseil National reconnaît que la question des relations industrielles est, dans une large mesure, de juridiction provinciale, et que cette enquête n'a pas pour but d'empiéter sur la juridiction présente des provinces, mais qu'il peut être nécessaire, en temps de guerre, de faire certaines recommandations et d'appliquer certaines mesures qui, durant la période de guerre, peuvent affecter la juridiction des provinces."

La C.T.C.C. comprend qu'en temps de guerre plusieurs initiatives doivent être prises par le gouvernement fédéral, mais on obtiendrait de meilleurs résultats, dans certains cas, croyons-nous, en tenant compte des législations provinciales existantes, tout en légiférant sous l'autorité de la Loi des Mesures de guerre.

La C.T.C.C. divise le présent mémoire en deux parties. Elle traitera d'abord des principaux décrets de guerre au sujet desquels le Conseil National du Travail désire connaître les opinions de tous les groupes intéressés; puis elle soumettra des suggestions en marge de sujets particuliers.

## I

### *Le décret C.P. 5963*

Le texte original du décret C.P. 5963, régissant les salaires en temps de guerre, a subi plusieurs modifications depuis le jour de sa mise en vigueur, le 10 juillet 1942. Les principaux amendements, toutefois, sont récents. Ils ont été apportés par l'adoption des décrets suivants: C.P. 1141 du 11 février 1943, et C.P. 2370 du 23 mars 1943.

La C.T.C.C. est favorable au principe d'un tribunal industriel, consacré par le décret C.P. 1141. Son représentant au comité consultatif du Conseil



National a déjà soumis et soumettra de nouveau, en temps et lieu, le point de vue de notre organisation quant à la représentation sur ce tribunal et quant à sa juridiction.

Le décret C.P. 2370 a marqué un progrès que la C.T.C.C. est heureuse de souligner, en exprimant sa satisfaction de cet amendement apporté au décret C.P. 5963.

De même, le droit d'appel prévu par amendement aux règlements du Conseil National, en date du 26 mars, marquera une amélioration sur le passé, du moment que l'on tiendra compte de certaines législations provinciales existantes.

La C.T.C.C. désire soumettre les suggestions suivantes à titre de modifications qui pourraient être apportées au décret C.P. 5963:

1. Que l'article 25 n'exige aucune base de comparaison pour tous les salaires inférieurs à vingt-cinq dollars (\$25.00) par semaine; les Conseils du Travail pourront se guider, en étudiant une demande d'augmentation de ces salaires, sur le bon sens et la situation financière des entreprises.

2. Les indemnités de vie chère devraient, dans tous les cas, remonter à la date de la dernière augmentation générale des salaires, ou remonter jusqu'au mois d'août 1939 s'il n'y a pas eu d'augmentation depuis le début de la guerre. Mais les Conseils du Travail pourraient recevoir des requêtes des intéressés, soit en vertu de l'article 43 du décret C.P. 5963, soit en vertu de l'article 34, tel qu'amendé par le décret C.P. 2370.

3. Le calcul du montant de l'indemnité de vie chère, pour la main-d'œuvre féminine, devrait être fait en points et non en pourcentage, tout comme pour la main-d'œuvre masculine.

4. Si, en vertu d'une loi provinciale, (Loi de Salaire Minimum ou Loi de Conventions collectives), il est loisible à une corporation ou à des associations de soumettre des requêtes au Lieutenant-gouverneur en conseil, pour faire déterminer ou modifier.

- (a) des taux gradués;
- (b) des taux de salaires uniques;
- (c) des indemnités de vie chère;
- (d) des conditions de travail,

le Conseil du Travail qui a juridiction devrait pouvoir rendre une décision en tenant compte de la procédure prévue par la législation provinciale, du moment que les requêtes soumises ne dérogent pas aux principes généraux sur lesquels s'appuie le décret C.P. 5963.

5. La C.T.C.C. n'a pas l'intention de critiquer la conduite de l'administration des Conseils Régionaux. Ces Conseils pourront soumettre eux-mêmes des suggestions pour améliorer le décret C.P. 5963. Mais la C.T.C.C. se demande s'il ne serait pas utile d'instituer un conseil local du Travail à Montréal. Sa juridiction pourrait s'étendre à toute l'île de Montréal. On sait qu'il y a à Montréal et dans la banlieue plus d'un million de personnes, de même que de très importantes et très nombreuses usines de guerre.

#### *Le décret C.P. 7679*

On ne saurait traiter du décret C.P. 5963 sans parler aussi du décret C.P. 7679, du 4 octobre 1941. Ce décret détermine les taux minima de salaires (25 cts ou 35 cts de l'heure, selon le cas) payables aux employés travaillant dans des établissements où l'on exécute des contrats et sous-contrats de guerre. La C.T.C.C. croit que ce décret est une cause importante du malaise actuel.

En effet, on a d'abord inclus dans les minima de ce décret une partie des indemnités de vie chère (art. 47 du décret C.P. 5963). Puis on a éliminé de l'application du décret, en pratique, tous les employés non directement affectés

par l'exécution des contrats et sous-contrats de guerre, dans les établissements où une partie seulement du personnel était occupée à l'exécution desdits contrats et sous-contrats, contrairement au texte même du décret. On a, de plus, restreint davantage la juridiction du décret C.P. 7679 en décidant de ne pas considérer comme contrats ou sous-contrats de guerre, les contrats et sous-contrats pour l'exécution desquels l'employeur n'était pas obligé, par spécifications expresses, de changer ses méthodes ordinaires de fabrication, c'est-à-dire n'était pas obligé de fabriquer des produits différents de ceux qu'il fabriquait régulièrement en temps normal.

La C.T.C.C. est d'avis que l'on devrait tirer au clair une fois pour toutes cette situation fautive. La C.T.C.C. croit que l'on devrait d'abord décréter que, dans tous les cas sans exceptions, les boni de vie chère doivent être payés au complet, au-dessus des minima du décret C.P. 7679; puis, la C.T.C.C. suggère que les lois de salaires minima, dans les provinces, puissent être appliquées, sans intervention des Conseils du Travail, dans tous les cas où il s'agit de mettre en vigueur des taux minima ne dépassant pas ceux du décret C.P. 7679; et pour les taux plus élevés, on pourrait s'adresser aux Conseils du Travail, en suivant la procédure ordinaire.

#### *Le décret C.P. 2685*

Ce décret, adopté le 19 juin 1940, est une simple déclaration de principes, sous forme d'arrêté ministériel. Il ne s'appuie pas sur la Loi des Mesures de guerre (c.206 S.R.C. 1927) et il ne contient aucune sanction. Nombreux sont les employeurs qui en ont tenu compte comme d'une lettre anonyme, c'est-à-dire qui en ont fait une lecture en diagonale et l'ont mis au panier. Les ouvriers, de leur côté, ont cru ce décret obligatoire durant un certain temps, et il a provoqué plusieurs grèves.

La C.T.C.C. n'est pas prête, toutefois, à suggérer que le décret C.P. 2685 soit rattaché à la Loi des Mesures de guerre et devienne obligatoire, tel que rédigé. La C.T.C.C. croit que l'on devrait d'abord tenir une conférence fédérale-provinciale pour étudier des législations concurrentes et aussi uniformes que possible sur les responsabilités légales des syndicats ouvriers et unions ouvrières à l'égard des gouvernements, des employeurs et de leurs membres. La C.T.C.C. favorise l'existence juridique des syndicats et unions, suivant une conception moderne et adéquate, tout en s'opposant à l'ingérence des gouvernements dans leur administration et régie interne.

De plus, il convient que la C.T.C.C. expose ici sa manière de voir sur le problème des relations industrielles au Canada, et voici les idées maîtresses d'un programme qu'elle a déjà soumis cette année à Ottawa, à Québec et à Toronto, et qu'elle répète devant le Conseil National du Travail:

1. Les deux grandes libertés ouvrières sont, comme l'on sait, la liberté d'association et la liberté de coalition.

2. La liberté d'association suppose le droit d'adhérer à un syndicat, le droit de choisir son syndicat, et le droit de retraite;

3. La formation ou l'existence d'un syndicat implique, croyons-nous, le droit à la reconnaissance officielle, le droit d'être représenté auprès de l'employeur, et le droit de négocier au nom de ses membres;

4. La loi, à notre sens, devrait conséquemment obliger les employeurs à reconnaître les syndicats régulièrement constitués, à recevoir leurs représentants autorisés et à négocier des conventions collectives de travail;

5. Lorsqu'il n'existe qu'un syndicat représentatif des employés ce syndicat pourrait conclure un contrat de préférence syndicale (atelier fermé), du moment que ledit syndicat sera responsable devant la loi et que ses membres seront assurés des recours nécessaires contre le syndicat, si leurs droits sont lésés injustement;

6. Les contrats de préférence syndicale (atelier fermé) actuellement en vigueur ne seraient pas modifiés du moment qu'ils seraient conformes aux exigences de la loi;

7. Lorsque les employés d'un même employeur font partie de plus d'un syndicat, la loi devrait prévoir la possibilité de former un cartel pour mener à bonne fin les négociations avec l'employeur; et si le cartel est impossible à réaliser, la loi pourrait prévoir une procédure juste et équitable pour régler le différend, après consultation des parties intéressées;

8. La loi devrait écarter définitivement les associations d'employés organisées par les employeurs ou leurs agents;

9. Au droit de coalition (deuxième grande liberté ouvrière) se rattachent la conciliation, l'arbitrage et la grève (y compris le piquetage);

10. Les conventions collectives devraient, à notre sens, contenir obligatoirement des dispositions prévoyant la procédure de conciliation et d'arbitrage qui devra être suivie pour régler les différends;

11. Aucune grève ne serait reconnue légale sauf lorsque le différend aura été étudié par un tribunal d'arbitrage de trois membres (ou une commission de conciliation et d'enquête de trois membres), et à condition, naturellement, que les parties ne se soient pas engagées à l'avance à accepter les recommandations unanimes ou majoritaires du tribunal ou de la commission;

12. Prévoir des sanctions sévères contre les violateurs de la loi, et instruction des causes devant des tribunaux du travail, organisés à cet effet.

## II

En plus des sujets généraux traités dans la première partie de ce mémoire, la C.T.C.C. désire faire des suggestions sur certains points qui ont leur importance pour assurer la paix industrielle et donner un nouvel élan à l'effort de guerre du Canada.

### *Votes de grève*

La législation fédérale prévoit deux sortes de votes de grève: 1.—le vote de grève prévu par la loi fédérale des différends industriels (c.112 S.R.C. 1927) et favorisant l'institution d'une commission de conciliation et d'enquête; ce vote ne conduit pas à la grève; 2. le vote de grève prévu par le décret C.P. 7307, lorsque le rapport et les recommandations d'une commission de conciliation et d'enquête ont été rejetés; ce vote, pris sous l'autorité du ministère fédérale du Travail, est censé conduire à une grève légale.

La C.T.C.C. veut ici considérer le premier vote, et faire observer que cette procédure est désuète, en plus de prêter à confusion. La C.T.C.C. suggère l'abolition de ce vote, surtout maintenant que l'on tient des enquêtes préliminaires pour connaître des causes et circonstances des différends industriels.

### *Votes de représentation*

Les votes de représentation pris dans les usines pour savoir si les travailleurs désirent appuyer tel ou tel syndicat ouvrier ne devraient être permis, croyons-nous, que sur consentement de toutes les parties intéressées. Ces votes ont donné lieu, dans un grand nombre de cas à des sur-enchères démagogiques, et ne fournissent aucun renseignement précis sur les effectifs d'un syndicat ouvrier. Bon nombre d'ouvriers, qui ne font partie d'aucun syndicat ouvrier, donnent leur vote pour tenter leur chance d'obtenir quelque chose, si des négociations doivent avoir lieu par la suite.

La C.T.C.C. est donc opposée au vote de représentation, sauf sur consentement des parties; mais elle y est particulièrement opposée lorsqu'il existe déjà entre employeurs et syndicats des conventions collectives validement conclues.



*Taxes: boni de vie chère et temps supplémentaire*

La C.T.C.C. désire attirer l'attention du Conseil National sur certaines anomalies relatives au paiement des impôts de guerre, et au sujet desquelles de nombreuses plaintes ont été formulées. Nous nous rendons compte que le gouvernement doit prélever des impôts pour défrayer les dépenses de l'administration fédérale et financer, en partie, le coût de la guerre. Nous croyons, toutefois, que les impôts devraient être prélevés sur le salaire régulier, indépendamment des boni de vie chère et du temps supplémentaire. L'effort de guerre, à notre avis, y gagnerait, en activant la production industrielle.

Boni de vie chère.—Il arrive, en effet, que les montants payés en boni de vie chère font atteindre au travailleur un niveau où tout son revenu annuel devient taxable, ou encore le font monter dans une classe où les impôts sont plus lourds à supporter. Et pourtant les boni de vie chère sont accordés pour permettre de faire face à la hausse du coût de la vie et non pour retourner au gouvernement sous forme d'impôts. Les boni de vie chère n'atteignent pas ainsi leur but.

Temps supplémentaire.—On peut faire un raisonnement à peu près semblable en étudiant le cas du temps supplémentaire. Lorsqu'un ouvrier a fait une journée régulière de travail et que les exigences de la production de guerre l'invitent à faire du temps supplémentaire, il hésite parce qu'en plus d'augmenter sa fatigue physique il s'expose à atteindre un niveau où tout son revenu annuel devient taxable ou à passer dans une classe de revenus où les impôts sont plus élevés.

La C.T.C.C. en conclut que les boni de vie chère et le temps supplémentaire ne devraient pas être taxés, dans l'intérêt de l'effort de guerre du Canada.

*Assurance-chômage et service sélectif*

Une autre cause du malaise actuel provient de la confusion qui existe entre l'assurance-chômage et le service sélectif national. Actuellement, l'assurance-chômage et le service de placement ne sont plus sous le contrôle de la Commission d'assurance-chômage, mais sous le contrôle d'un directeur-administrateur qui est un représentant des employeurs. La C.T.C.C. croit cette situation fautive, et suggère que s'il doit y avoir un directeur du placement, pour la période de guerre, que la juridiction de la commission soit rétablie pour ce qui a trait à l'assurance-chômage. Cette commission comprend un représentant des employeurs, un représentant des travailleurs et un représentant de l'autorité fédérale, et c'est là l'équilibre réclamé par le Travail Organisé lors de la mise en vigueur de la loi.

Enfin, la C.T.C.C. croit que les agents d'affaires des syndicats ouvriers qui sont autorisés à recevoir les commandes des employeurs pour placer les membres desdits syndicats devraient pouvoir rapporter eux-mêmes ces commandes au Service Sélectif, et les exécuter sans délai sur approbation des officiers locaux du Service Sélectif.

Respectueusement soumis,

LA CONFÉDÉRATION DES TRAVAILLEURS CATHOLIQUES  
DU CANADA, INC.

5 mai, 1943.



Pursuant to adjournment the hearing was resumed at 10.30 a.m. Thursday, May, 6 1943.

Mr. H. W. MACDONNELL (Canadian Manufacturers Association): Mr. Chairman, Mr. L. L. Lang, our president, who signed this report we are presenting, had intended to be here himself to present it, but at the last minute that has been found impossible. In his place the brief is to be read by Mr. W. C. Coulter, of Toronto, who is the chairman of the association's industrial relations committee, so-called, and who has supervised the preparation of the brief.

Mr. W. C. COULTER (Chairman, Industrial Relations Committee, Canadian Manufacturers Association): Mr. Chairman, in the first place may I say we have a small delegation of members here to back up this brief, but it is quite representative. We have the immediate past-president, Mr. Harold Crabtree, among those present.

### *The Chairman and Members of the National War Labour Board*

The Canadian Manufacturers' Association welcomes this opportunity of expressing its views on the all-important questions which your board is investigating. It may be well to say that it is a voluntary association of 4,500 manufacturers operating in all nine provinces, and producing an estimated 75 per cent of the manufactured goods made in Canada. Originating about 1870, it was incorporated by Act of Parliament in 1902. Its purpose and function is to develop Canadian industry and export trade, generally. To this end, the association studies and disseminates information on all questions affecting manufacturing and provides manufacturers with means for discussing their common problems, but it has no control of any kind over the way in which its individual members carry on their own business or negotiate labour agreements with their employees. The Association holds an annual meeting and publishes an annual audited financial statement.

We assume that the reason for the present inquiry is the feeling on the part of the government that labour unrest has increased, is increasing and ought to be diminished, if the country's war effort is not to suffer. With that feeling this association entirely agrees and it is with a view to discovering the underlying causes of the present "uneasiness and unrest" and suggesting steps for removing them that the following submissions are made.

### *Peace Time Employer-Employee Relations*

It should be noted that a very high percentage of manufacturing establishments are small. Thus the latest Dominion Bureau of Statistics figures are as follows:—

Establishment and Employees in Canadian Manufacturers,  
Grouped According to Number of Employees  
per establishment.

Group	Establish- ments No.	1939 Employees No.	Average Employed No.
Under 5 employees .....	13,002	28,020	2.2
5 to 20 employees .....	6,985	68,151	9.8
21 to 50 employees .....	2,330	75,324	32.3
51 to 100 employees .....	1,158	81,646	70.5
101 to 200 employees .....	695	97,063	139.7
201 to 500 employees .....	458	139,687	305.0
501 or over employees .....	172	168,168	977.7
Totals and averages .....	24,800	658,059	26.5



You will see that more than half of the establishments listed are in the under 5 employees group. Those plants which employ 500 or more are rather small in proportion.

While the actual figures have undoubtedly altered in the last three years, we believe that the general pattern has remained much the same. This means that over half the industrial workers of the country work in plants employing less than 200, and over a third work in plants employing less than 100.

The methods of handling employer-employee relations which have been developed in Canada over the last 60 to 70 years range from simple personnel relationships in the small firms, through works councils and shop committees in the medium-sized firms, to trade union agreements in some of the larger firms.

That these varied methods of conducting employer-employee relations which have been developed to meet the varied conditions have, generally speaking, given satisfaction to the great majority of employees, is evidenced by the fact that the percentage of Canadian factory workers who have seen fit to join trade unions is not more than 18 per cent.

#### *Wartime Employer-Employee Relations*

If methods which worked satisfactorily in peace time do not function satisfactory in war time the reason must be found in the special conditions peculiar to war time. These are the tremendously increased demand for labour and the urgency with which war supplies of all kinds are required. The combination of these two factors creates a situation that is unknown in peace time. But that is not all. There is often in peace time, when a "business boom" is in progress, a greatly increased demand for labour and when that happens labour seeks higher wages. Labour naturally feels that the employers are making increased profits and that it is only fair that the employees should have their share of them; and at such a time, experience shows that an increase in the number of strikes is usual. But it is obvious that the situation in which we now find ourselves is radically different in several important respects, viz: (1) the country is fighting for its life, (2) employers, as a result of the very proper measures taken by the government to limit profits and increase taxation, are making little out of war production; and (3) parliament has seen fit to approve of the policy of maintaining a ceiling on both prices and wages.

#### *Danger of Failure to Maintain Wage Ceiling*

This brings us to what we regard as the focal point of the whole situation, viz. the question of maintaining the wages ceiling. Unless it can be maintained, it will be impossible to maintain the prices ceiling, and unless the prices ceiling is maintained, nothing can save the country from disastrous inflation.

The CHAIRMAN: There seems to be some dispute about that proposition, Mr. Coulter. Some material read yesterday seemed to indicate that in the opinion of some at any rate, wage stabilization has really no particular connection with the price ceiling. Can you enlarge on this, or do you just want to let it stand the way it is? I think we will be getting more evidence on it later.

Mr. COULTER: I was not prepared to enlarge on it, but I think it has been recognized as self-evident that if wages rise the additional money that is in the market creates a demand for all classes of goods, therefore all classes of goods must rise.

Mr. COHEN: That is assuming there are no controls?

Mr. COULTER: Yes, but if you are going to control one thing you must control the other.

Mr. COHEN: Not necessarily to the same degree.

Mr. COULTER: On a question of that kind I submit you might get information of value to you from the chairman of the Wartime Prices and Trade Board.

The CHAIRMAN: That has already been arranged.

Mr. COULTER: To continue:—

This has been recognized as incontrovertible by the major political parties and by most responsible economic groups, not least by organized labour. Thus the representatives of organized labour concurred in the passing of P.C. 7440, the forerunner of P.C. 5963, the present Wages Order. Subsequent to the passing of P.C. 7440, however, certain labour unions repudiated the action of their official representatives in agreeing to it, and openly worked to undermine and destroy it.

Mr. COHEN: You say that the representatives of labour concurred in the passing of P.C. 7440, and it was later repudiated by their organization. What is the basis for that statement?

Mr. COULTER: I was on the board that voted for it, and it was unanimously passed by the labour board.

The CHAIRMAN: That is the Supply Council?

Mr. COULTER: Yes, the original.

Mr. COHEN: Were you present also when certain representations were made to that council by the then Minister of Labour, Mr. McLarty, and the then Deputy Minister of Labour, Dr. Stewart, as to what P.C. 7440 meant and how it would be operated?

Mr. COULTER: I was present, yes.

Mr. COHEN: There were such representations made?

Mr. COULTER: I do not remember the particular occasion you refer to. Mr. McLarty was present on several occasions.

They have adopted a similar attitude to the successor of P.C. 7440, the present Wages Order P.C. 5963. In spite of the fact that it is the declared policy of the government to maintain a ceiling on wages on the basis laid down in the Order in Council, certain trade union leaders use as their main "talking point" to gain new members the promise to obtain wage increases, regardless of the Order in Council.

Furthermore, the unfortunate fact is that in all too many cases, the promises are fulfilled. Either by threatening to strike or by actually going on strike, sometimes without waiting for a conciliation board and therefore in defiance of the law, certain trade unions have been succeeding in punching holes in the wages ceiling. Unless a stop can be put to this, it is obvious that before long the ceiling will cease to exist.

The CHAIRMAN: In that connection it is rather significant, I think, according to figures that were filed earlier in the inquiry, that applications for wage increases have been made by employers alone in about 87 per cent of the cases. I suppose when we get down to the question of puncturing the ceiling, the employers must take some responsibility; do you not think so?

Mr. COULTER: May I quote a small case, but a case I know personally from my own business? I have applied twice for a raise in coppersmiths' wages. The union rate in force in the city of Toronto in the only two plants existing there at that time—two years ago—was 90 cents an hour. The shipbuilding industry paid \$1.10 and \$1.15 an hour, notwithstanding the recognized union rate, so that we lost coppersmiths to that trade. We first asked for 5 cents and then another 5 cents, and our approved rate is now \$1 an hour, which is lower than it is yet in the other plant. You can see that we were quite justified in asking for the raise. We can hold some of our men because they know there is employment in our plant after the war, whereas employment in the shipbuilding industry will likely end with the war. That is a consideration to them.

The CHAIRMAN: You have the same thing happening in the shipyards in connection with the welders, for example. You have been talking about losing your coppersmiths to the shipyards; and then again the shipyards have been losing certain of their classifications to crown companies. I sometimes wonder who is responsible for the puncturing of this wage ceiling.

Mr. COULTER: It is a question of who takes the high rates. That is an item we deal with further on as to some control.

If it is pointed out that employers, so far from resisting such wage demands, very often support them before War Labour Boards, the answer is that in some cases the employers consider the requests reasonable, and as regards those which they do not consider justified, they are in the position of being obliged to support them or run the risk of losing their employees, since they can almost always go elsewhere and get the higher rate of pay they are asking, especially in plants under direct government control. It is not too much to say that the wages paid in such plants are one of the most disturbing factors in the whole situation, so far as the maintenance of the wage ceiling is concerned.

#### *Underlying Causes of Labour Unrest*

To recapitulate, first and foremost among the underlying causes of present labour unrest we would put the deliberate programme of certain labour unions to take advantage of the country's desperate need of labour to exact higher and higher wages regardless of the resultant danger of disastrous inflation and to build up the membership of their unions by demonstrating their ability to secure such higher wages, if necessary, in defiance of the law. The great majority of the workers in industry are thinking in terms of playing their part in winning the war. They will accept and support the wages policy of the government if it is fairly and firmly administered.

Mr. COHEN: What do you mean by "fairly" as compared with "firmly"?

Mr. COULTER: These are two very distinct terms. First it must be fair, and when you have established a fair basis you must be firm and stick to it. You must not allow variations which would interfere with the fairness which is first established as a requisite.

Wages generally are admittedly good and there is provision in the Wages Order to make adjustments in the case of unduly low rates. Tens of thousands of young workers or workers new to industry are earning higher wages than ever before. The demand for higher wages regardless of the wages ceiling does not come spontaneously from them. They are "talked into" making it by certain union representatives whose motive is not really better wages or conditions, or reasonable rights or privileges for the industrial workers, but increased power (including political power) and gain for the organizations themselves.



Mr. COHEN: I do not want you to feel you are being unduly interrupted, but would you mind going back to the statement about the middle of the paragraph in which you say there is a provision in the wages order to make adjustments in the case of unduly low rates. What provision have you in mind?

Mr. COULTER: The reference to the regional board for adjustment; you have that.

Mr. COHEN: I am not for the moment quarreling with the conclusion you have set out, but, in your opinion what is there in the order which does constitute a provision enabling the making of adjustments in the case of unusually low rates?

Mr. COULTER: The rates as decided by the regional boards must take into consideration the comparative rates on which they receive figures.

The CHAIRMAN: In comparable localities and comparable industry?

Mr. COULTER: Yes, and they are able to change the rate where they decide it is low, and give relief.

Mr. COHEN: They are restricted to the provisions of section 25. The basis of the comparison is the immediate area, and the particular classification in the particular area. Where would the regional boards find within P.C. 5963 the authority to relieve such low rates?

Mr. COULTER: I will come to that, and if it is not sufficiently dealt with I shall be pleased to enlarge upon it. It is dealt with in a paragraph farther on.

### *Jurisdictional Disputes*

The situation is particularly vicious because of the fact that "the cards are stacked," so to speak, against those unions (and there are many of them) which are trying to co-operate in making the Wages Order work. On the principle of "everything to gain and nothing to lose," most employees are going to vote in favour of the union which promises wage increases in spite of the Wages Order in preference to the union which tells them that the Wages Order should be obeyed, and in preference to a works council or independent union which also stands for accepting the Wages Order. This situation is clearly responsible for the growing number of jurisdictional disputes, sometimes leading to strikes—in which the rival unions fight it out while the employers and the public stand helplessly by and production goes markedly down.

Mr. COHEN: What is that growing number you mention?

Mr. COULTER: I think you could read it in the newspapers.

Mr. COHEN: Perhaps I do not read the papers. We are kept too busy here reading briefs, but you make the statement that this situation "is clearly responsible for the growing number of jurisdictional disputes, sometimes leading to strikes." How many do you refer to?

Mr. COULTER: I have not figured it out, but I think if you go back three or four years you will find there were none of that type, so that every one you find today is an increased number.

The CHAIRMAN: You are referring to such situations as Montreal Tramways and the paper and pulp troubles in Quebec?

Mr. COULTER: There have been others.

The CHAIRMAN: Yes, and threatened ones under jurisdictional basis.

Mr. COULTER: Yes, and the case in Hamilton where it was the union against the workers' council. I am not quite sure whether one led to a strike or not; I think one did.

Mr. COHEN: Which case was that?

Mr. COULTER: I am not sure which.

The CHAIRMAN: Probably you are referring to the Hamilton Bridge Company.

Mr. COULTER: Yes, that is the one.

And so long as the irresponsible, law-defying unions can "get away with it," there is every reason to believe that the situation will grow rapidly worse. The leaders of those unions which have been following the patriotic course of supporting the country's anti-inflation policy will be driven to adopt the same tactics as their rivals, in order to stay in business.

As to the steps that should be taken to deal with the situation, we would respectively submit:—

1. That there should be instituted by the government an intensive campaign of education to explain to labour that in its own interests, it should co-operate in combatting inflation by helping to maintain the wages ceilings, and to convince labour that, in the words of the chairman of the Wartime Prices and Trade Board, "labour must lose out in a race of wages against price increases in an inflationary spiral".

That was definitely proved in the last war, that labour did not get increases as fast as the inflation progressed.

2. That a stop should be put to open flouting of the Industrial Disputes Investigation Act prohibiting against strikes, pending investigation and report by a conciliation board. Penalties are provided by this Act for employees who go on strike illegally, as well as for persons who incite, encourage or aid any employee to go on strike illegally, and if these illegal acts are openly committed without the penalties being applied, the law itself is bound to fall into disrepute.

### *Compulsory Legislation No Remedy*

We now turn to the question whether labour unrest would largely disappear, as certain labour leaders declare, if the principles laid down in P.C. 2685 were made effective by compulsory legislation. There is nothing in recent experience, it is submitted, to encourage the hope that any such result would follow such action. An analysis of recent strikes shows that the most serious of them have taken place in plants that were unionized, while on the other hand, there are notable examples of non-unionized plants enjoying much more harmonious employer-employee relations than many unionized plants. The suggestion that non-unionization means turmoil and strikes, and that unionization means peace, harmony and maximum production is completely refuted by the facts, both in the United States and Canada. United States experience in this field is, it is submitted, most instructive. After eight years of the Wagner Act, an increasing number of State Legislatures are introducing legislation to curb labour unions. Outstanding examples are Wisconsin, Pennsylvania and Kansas and especially Colorado which requires unions to incorporate in order to obtain the benefits accorded by the compulsory collective bargaining provisions of the Act. Meantime, the official figures show that in 1941 there were 4,212 strikes, with 22,932,374 man days lost, much the worst record (with the single exception of 1937) since the enactment of the Wagner Act in 1935. As regards Canadian experience, it is interesting to note that for the year March 1, 1942, to February 28, 1943, the figures for Hamilton and Windsor are as follows:—

	Total No. of Workers (1943)	Union Members (1941)	No. of Strikes	Workers Involved	Man Days Lost
Hamilton.....	63,000	6,426	5	772	1,410
Windsor.....	42,500	14,270	17	19,760	91,432

In these circumstances, it is illusory, it is submitted to expect that increased unionization would mean increased harmony, and the disappearance of unrest and dislocation. In other words, we do not believe that the best way to "make effective the principles enunciated in P.C. 2685" is to pass legislation making it compulsory for employers to bargain collectively with whatever union manages to get a majority of the votes of the employees in the particular establishment. The inevitable result of the enactment of such legislation would, in our view, be a drive by the trade unions to unionize all the plants which seemed worth while from their point of view. This would mean primarily the great war industries where thousands of new inexperienced workers have been taken on during the last three or four years. The method employed would be an election to determine what union was to have the right to represent the employees. What such an election would mean in the way of high-pressure canvassing and pre-election promises needs no elaboration. Thousands of comparatively new industrial workers who would be voting in such elections would have no means of knowing whether the promises made could be fulfilled, for example, whether promises to secure increased wages could be made good, in view of the established wage ceiling. It should also be pointed out that large numbers of the regular employees of many industries are absent on war service, and will have no opportunity of voting; on the other hand, a large number of those who will be voting will, in the nature of things, not be employed in the industry in question after the war. It is submitted that it is not sound or wise to determine employer-employee relations for the whole future on the basis of the abnormal conditions of war time.

The CHAIRMAN: I suppose you could pick out different examples where there is collective bargaining and unionization in districts. I do not know that proves very much. If you selected, instead of this situation as between Hamilton and Windsor, the brotherhoods of our railways you would find some 140,000 people involved, all of whom are union members: Strikes none, workers involved none, man days lost none.

Mr. COULTER: Perhaps some of our industrial companies would like to have a union of that same type.

The CHAIRMAN: I would think they would.

Mr. COHEN: If twenty-five years ago they had recognized the unions they would have that situation.

Mr. COULTER: It is not a question whether they recognize the situation; they simply sign an agreement with the representatives.

Mr. COULTER: The memorandum continues:

### *Unions Have Duties as Well as Rights*

However, if it is proposed to endeavour to make the principles laid down in P.C. 2685 effective by passing compulsory legislation, it is submitted that any such legislation should take account of the obligations as well as the rights of employees, the rights as well as the obligations of employers. Thus if any legislation were to be introduced requiring



employers to bargain collectively with trade unions, in the event of the employees of a particular employer choosing a trade union to represent them, it should, it is submitted, provide for:—

- (1) the registration of trade unions and the filing of full constitutions, by-laws and financial returns and the accounting by unions to their members.
- (2) the legal responsibility of trade unions to carry out contracts entered into.
- (3) the legal responsibility of the employers; and
- (4) provision protecting the employees who may join trade unions from self-perpetuating officers by

The CHAIRMAN: There are two features there that are of some interest, but they are put in very general terms—the legal responsibility of trade unions to carry out contracts entered into, and “the legal responsibility of the employers.” Have you any more definite suggestion in connection with these items?

Mr. COULTER: Of course one of the methods of establishing the responsibility of trade unions is by incorporation. There is practically no way of getting after an individual union to-day if they break a contract or do something which has caused damage to the other party through the breaking of the contract. That may perhaps be done by some other means than by incorporation, but some legal responsibility should be placed on the union and there should be some way of carrying it out. The legal responsibility of the employer is already clear. The employer is either a corporation, a partnership or an individual.

The CHAIRMAN: In the field of labour relations what is the legal responsibility of the employer who has an agreement with labour and for some reason or other desires to terminate it? He finds that he needs to do it because work has fallen off; so he closes up his plant. There is no question of a lockout or anything of the kind, so that I do not suppose there is any legal responsibility in that case, is there?

Mr. COULTER: That is a contingency which I presume would be exceptional. He did not refuse to carry out his agreement; he was just not operating his plant.

The CHAIRMAN: It depends upon the contract itself, I suppose. I am inclined to give a little thought to the matters you mention under headings 2 and 3, but just to put it on the basis of legal responsibility both ways and leave it there seems insufficient. You must remember that you are talking about a contract of a peculiar character. This is a labour contract.

Mr. COULTER: Yes, but that contract would not guarantee the man employment. It is guaranteeing the rates for his employment.

The CHAIRMAN: If you look at it in that way, what is the legal responsibility of the union to keep the men at work? It is a difficult subject you are on here.

Mr. COULTER: There is a difference between keeping them at work and preventing one man or many from leaving, letting them walk out with or without the union's blessing.

The CHAIRMAN: I appreciate that. There are a lot of factors in connection with those two subjects. They are just touched upon in a general way here. I did not know whether you would care to develop them.

Mr. COULTER: The idea in the whole thing is that employers are responsible and can be dealt with if they break a contract, so that in order to be equitable the other contracting party should be put in a similar position.

Mr. COHEN: In what sense are employers legally responsible for collective bargaining agreements? Your counsel will inform you that they are not looked upon as contracts that a court should examine. Suppose the employer, meaning well, misinterprets the contract; what is the remedy?

Mr. COULTER: In the case of an ordinary contract that means arbitration.

Mr. COHEN: That is purely a question of arrangement; there is no question of legal responsibility about that.

The CHAIRMAN: That is what confuses me. It was decided years ago that you cannot specifically enforce a contract which is for the giving of service—the master and servant law. Here you propose to make both parties legally responsible. If there is that principle, what do you do to accomplish it?

Mr. COULTER: I am afraid you have me at a little disadvantage on that question. My duties in the association have to do with industrial relations. We have a legal department. That is a matter of which I personally would not have knowledge.

Mr. COHEN: There is a jurisdictional conflict there?

Mr. COULTER: Yes, I cannot answer it.

The CHAIRMAN: I am not trying to confuse you, but I want to get some enlightenment as to what the proposition is. How do you reduce it to definite terms on which an order in council can be based?

Mr. COULTER: I see the point. I was going to say that at our discussion there were several points on which we did not arrive at a final decision, and that if it were possible we would like a chance to present those additional ideas later on. If you think we should go farther on this point, that can be adjusted.

The CHAIRMAN: I wish you would, because it is a subject that confuses me a great deal.

Mr. COULTER: I shall be very glad to take that up with our members, and see what further suggestions may be made.

If the employer is to be protected, every statute providing for the right of workers to join a union should require every union covered by it to file a copy of its constitution, rules and by-laws and an annual list of the officers authorized to represent it. In addition, it should be required to file annually a general statement of its receipts and expenditures and to render to its members a true accounting of all money received by it. More or less detailed provisions of this kind will be found in the Industrial Conciliation and Arbitration Act of British Columbia and the Trade Union Act of Nova Scotia. They are necessary if an employer is to know with whom he is to deal and if the members of a trade union themselves are to be protected. The rights conferred on unions by the statute should be made contingent upon the fulfillment of their obligations with respect to filing.

#### *Right of Employee Not to Join Union*

Furthermore, if there is to be legislation guaranteeing and safeguarding the right of an employee to join a trade union, it should also safeguard the right of an employee not to join a trade union as is recognized in P.C. 2685. In other words, if there is to be provision for punishing an employer for seeking by intimidation, or other unfair means, to prevent a worker from joining a union, then equally there should be provision for punishing trade unions or their agents for seeking by intimidation, or other unfair means, to compel a worker to join, or to continue his membership in, a trade union.

Mr. COHEN: Is that not already taken care of by section 501 of the Criminal Code?

Mr. COULTER: Only partly.

Mr. COHEN: In what respect do you suggest that section falls short?

Mr. COULTER: One thing is that it does not work both ways, and another is that having a closed shop in their agreements they actually compel the men to join.

The CHAIRMAN: The closed shop agreement is an agreement that is made by the employer as well as the union, for a closed shop.

Mr. COULTER: Yes, but if there is a continuous demand then in these war days they are a closed shop.

The CHAIRMAN: Yes, there is a demand, but there is nothing to compel anybody. Take your British Columbia Act; that recognizes the principle of the closed shop if the parties agree.

Mr. COULTER: Yes, there is provision made for it in some of these acts.

The CHAIRMAN: By agreement.

Mr. COULTER (reading):—

This has been clearly recognized and taken care of in the Labour and Industrial Relations Act of New Brunswick, and the Strikes and Lockouts Prevention Act of Manitoba. Only thus would the principle of freedom of association be adhered to and applied.

#### *Right to Join Independent Union*

The principle of freedom of association has a further implication, namely, that the worker should have the right to decide not merely whether he will join a union, or refrain from joining, but also what kind of union he will join. Thus, if he wishes to join a so-called independent union, any legislation based on the principle of freedom of association should ensure him that right. This is of special importance, since as has been shown, the overwhelming percentage of the factory workers have up to the present, seen fit to conduct their relations with their employers not through outside unions, but through works councils, shop committees, independent unions, and otherwise. When employers and employees have been negotiating with each other through this kind of machinery over a period of years, that mutual confidence has been built up which is the basis of all good employer-employee relations. It would, it is submitted, be most unwise to make it impossible for such machinery to continue to be used by employers and employees who have learned how to make it work satisfactorily. Both common sense and abstract justice, it is submitted, require that workers should have the same right to join an independent union as they have to join any other type of union.

The argument that "independent unions" are never free of management domination, and therefore should not be recognized as bargaining agencies should not, it is submitted, prevail. It proceeds on the principle that an employer has no right to interest himself in any way in the question of what type of labour organization his employees should adopt, which, in effect, means that the employees are to be restricted to the advice and guidance they receive from trade unions. This principle pressed to the extent it was by the labour unions in the United States in connection with the administration of the Wagner Act ended with the absurdity that while a labour union might advise workers that they were required to join the union, such advice being untrue, the employer was not permitted to advise workers that they need not join a union in order to hold their jobs, such advice being true. It is submitted that no safeguards against undue management domination of an independent union should lose sight of the fact that an employer, while he has no right



to intimidate his employees into joining an "independent union" or refraining from joining a trade union, has a perfect right to state the facts of the situation to his employees and give his advice as to their best course. To deny this is to deny the fundamental right of free speech.

Mr. COHEN: Do you mind if I ask one question on the section of the brief you have just concluded? Going back to page 10, I notice the statement that "the overwhelming percentage of the factory workers have up to the present, seen fit to conduct their relations with their employers not through outside unions." Do I understand you to suggest that the workers in the main voluntarily elected to be without union representation in dealing with their employers?

Mr. COULTER: No, I was dealing with the fact as it exists, that approximately eighteen per cent are in the union and the others are not.

Mr. COHEN: That does not suggest that the others have seen fit, in terms of free election, to deal with their employers without union representation?

Mr. COULTER: No, but whether you say they have seen fit or not, that is what they are doing, and they must have seen fit or they would not be doing it.

Mr. COHEN: It seems to me that you have to take into account, at least to some extent, the fact that these representation votes that have been conducted by the government agencies from time to time almost invariably find that the employees elect to be represented by a union. You deduce from the fact that only eighteen per cent of the workers of the country comprise all trade unions that it is a voluntary choice?

Mr. COULTER: In many cases it is. I can mention places where unionization has been sought in a plant two or three times and has not been successfully organized, the inference being that there was not sufficient demand in these plants for representation.

The CHAIRMAN: I suppose in some cases the union organizer has not got around to it.

Mr. COULTER: That is quite true, but even when he gets around to it, if he took a vote without talking to the staff he would be outvoted nine times out of ten. It takes a good deal of salesmanship to convince some of our employees that they should be in a union.

Mr. COHEN: Further down the page, where you deal with the question of employer's right to interest himself in the type of organization adopted by his employees, what right do you suggest the employer has to interest himself in these matters? How far do you say he is entitled to go?

Mr. COULTER: There are a number of points involved in that, but we maintain specifically the right of the employer to use free speech and make a statement of facts.

Mr. COHEN: That is, to tell his employees that there is nothing in the law which compels them to belong to a union?

Mr. COULTER: He can go as far as stating facts as long as he is not contributing; because that is dealt with—an employer cannot support a shop union. That would be unlawful influence, but there are a number of side issues to that. It is not influence if the workers are allowed to use the shop rooms for a meeting and so on. Questions of that kind are coming up in the United States, and it is not considered as influencing them.

The CHAIRMAN: I suppose if you get down to fundamental principles the employer cannot be on both sides of the table when a bargain is made between two other parties?

Mr. COULTER: He is not supposed to be on either side of the table, according to some of the regulations, so far as influencing his employees is concerned.

Mr. COHEN: I do not follow that?

Mr. COULTER: Well, he is not allowed either to influence them to join or to influence them not to join.

Mr. COHEN: He still has his own side of the table to sit down at?

Mr. COULTER: There are only two sides to that question.

### *"Closed Shop" Versus Freedom of Association*

A still further implication of the principle of freedom of association is that a worker's right to employment should not depend on his belonging to a particular union any more than it should depend on his belonging to no union. This means that the "closed shop" principle should have no place in any legislation on collective bargaining. It is just as unfair as it would be to pass a law that no one could carry on manufacturing in Canada unless he was a member of the Canadian Manufacturers' Association, that no one could engage in the retailing business unless he were a member of a Retail Merchants' Association, or engage in agriculture unless he were a member of some agricultural association. If the "closed shop" principle were applied widely enough it would mean that if a worker refused to join the union in one plant he would find it impossible to get a job anywhere else. The inequality in bargaining power between the individual worker and an employer would pale into insignificance in comparison with the defencelessness of an individual worker against a trade union which had secured a "closed shop" agreement in any of its varied forms, including maintenance of membership and the so-called "union shop" clause.

Closely associated with the question of the "closed shop" is that of the so-called "check-off," the collection of union dues by the employer. No such practice, it is submitted, should be countenanced, much less made obligatory. It is objectionable and unsound for the same reasons as the "closed shop."

### *Mutual Confidence the Key to Good Relations*

We submit that the key to good employer-employee relations is mutual confidence, and we further submit that so far as the great majority of industrial workers are concerned, there is a very large measure of mutual confidence between them and their employers. This Association believes in employing every possible means of increasing mutual confidence and co-operation. As one example of the efforts to achieve this which have increasingly been made in recent years, reference may be made to the Association's resolution passed last year in favour of the establishment of Management Labour Production Committees. As is well known, this movement is gathering way and promises highly satisfactory results. Indeed, taking the situation as a whole, and in particular, the many different kinds of voluntary co-operation which have been developed, it is not too much to say that if it were not for the desire of certain trade unions to take advantage of the unprecedented demand for labour arising out of the country's fight for its life, to build up their own organizations, there would be comparative stability and goodwill in labour relations. As has been said, the unions in question are actually a minority of the trade unions operating in Canada. The majority of the unions are playing the game, and not seeking to take undue advantage of the country's extremity.

By the word "unions" we do not mean an amalgamation of unions, but a union taken individually.

In these circumstances, it is difficult to see why the state should cater to minority labour groups which are taking advantage of the country's extremity, by passing legislation which will facilitate them in building up their membership.

### *British Versus U.S. Collective Bargaining Methods*

So far as the right of trade unions to represent their members in negotiating collective bargains is concerned, this has been recognized by employers for many years. As long ago as 1919, the National Industrial Conference which met at Ottawa, and was attended by representatives of both employers and workers, formally recognized the right of employees to join any lawful association, and in spite of some isolated judicial opinion to the contrary, it is generally agreed that there is nothing illegal about a trade union as such. If the trade unions complain that their legal position is uncertain, since the old common-law disabilities on trade unions which were removed by legislation in England in 1906 still apply in Canada, then it is suggested that legislation should be passed removing such uncertainty, and giving Canadian trade unions the same legal status as British trade unions enjoy by virtue of the Trade Disputes Act of 1906, and subsequent amendments particularly those of 1927. In making this suggestion, we have in mind that in Great Britain, collective bargaining has been widely and successfully practiced for many years, but there has never been a statute enforcing trade union recognition or compelling collective bargaining. In the United States, on the other hand, the trade unions have demanded and secured assistance from the state, in the form of legislation requiring union recognition and making collective bargaining compulsory. In other words, in the United States an attempt has been made to secure for the unions by statute, what the British trade unions have secured for themselves, because they were strong and well-disciplined, and showed themselves willing and able to carry out their agreements. For the state to provide the unions with a short-cut to power by passing compulsory union recognition and collective bargaining legislation is, so to speak, to "put the cart before the horse," i.e. to give the unions greatly-increased power before they have developed the self-discipline and sense of responsibility which alone can ensure the proper use of power. If a union by a snap-vote, following a high-pressure election campaign, gains the right under compulsory collective bargaining legislation to represent several thousand employees, many of whom may not belong to the union or may have joined overnight, what guarantee is there that a collective agreement negotiated by such a bargaining agency on behalf of such principals would be lived up to by the employees concerned? It is submitted that a comparison of British and United States experience in this field leaves no doubt whatever that the sound course is to give trade unions full and unequivocal status under the law, as in Great Britain, and then let them "stand on their merits."

This is the position the British trade unions have always taken; in their own interests they have refused the assistance of legislation compelling employers to bargain with them, believing that the best way of ensuring that collective bargains will be entered into and lived up to, is not by forcing one of the parties to the conference table by compulsory legislation but by the parties developing confidence in one another's good faith and responsibility. If such confidence exists, compulsion is unnecessary; if it does not exist, compulsion will be ineffective, so far as the essence of the matter is concerned, viz. the carrying out of agreements entered into.



Mr. COHEN: Do you mind if I ask you about two items in this section under the heading of "British versus U.S. collective bargaining methods". In the second sentence of the paragraph you say, "As long ago as 1919, the National Industrial Conference which met at Ottawa, and was attended by representatives of both employers and workers, formally recognized the right of employees to join any lawful association". Do you know what occurred at that conference?

Mr. COULTER: Yes, partially.

Mr. COHEN: I have before me the official record of the conference. I wondered if you would care to comment on the situation as it actually is on record, and as it developed at that time. The subcommittee that dealt with this subject was composed of six members, three representing the employees' organization and three the employers. They did not agree on a report, and a separate report was submitted by the three representatives of the employees' organization and a corresponding report by the three representatives of the employers' organization. While in the first paragraph of the report of the employers' representatives it was stated that the employers admitted the right of the employees to join any lawful organization, they go on to say in paragraph "b" that the employers shall not be required to recognize the unions, and go on to say in "c" that the employers shall not be required to negotiate except with their own employees or groups of employees. In that particular sense, what is the concession that you seem to say was adopted in 1919? What is the effect of that decision, that the employers should not be required to recognize unions or deal with a committee? That is the employers' report signed by J. P. Anglin, D. H. McDougall and A. B. Weeks.

Mr. COULTER: At the end of the conference they agreed on certain points, and the particular point mentioned here is one they agreed on.

Mr. COHEN: I am giving you the final report as submitted to the conference. The employers were unable to agree with the employees upon that. You set out in your submission here that the employers recognized the right of employees to join any lawful association. That is in paragraph "a" of the 1919 conference report, but paragraphs "b" and "c" deprive paragraph "a" of any particular value; they say the employer is not compelled to recognize the unions, and is not to be compelled to negotiate except with a committee of employees.

Mr. COULTER: That is dealing with the question of trade unions. We do not want to deal with them as a group; we want to deal with them in the individual plants. We do not want them to attack groups of plants and want to negotiate with a group of manufacturers, such as the metal founders, not the section as a whole.

Mr. COHEN: How do you mean "attack"?

Mr. COULTER: Well, make their demands. The employers do not want as a group to deal with the union as a group, but maintain the principle they should deal with their own shop.

Mr. COHEN: I do not want to enlarge too much on this, but since you have made reference to your attitude at that conference, I should like to refer to the report of the employees' representatives. It was signed by W. L. Best, A. C. Hay and J. C. O'Connor. The only report they make with respect to the legislation in section 3 of the report is that they ask "that the federal and provincial governments be urged to enact legislation applicable to industries within their respective jurisdictions, to make it unlawful for any employer who shall discharge or refuse to employ, or in any manner discriminate against employees merely by reason of membership in labour unions or for legitimate labour union activities outside of working hours". The employers' representatives could not agree even in that recommendation.

Mr. COULTER: I think that was embodied in the resolution.

Mr. COHEN: I am indicating to you what is in the two reports. All the employees asked for was that it should be unlawful for an employer to discharge an employee because of union activities, and the employers did not go along with that report at all. First they say in paragraph "a" you can join a union, and then in "b" and "c" they say they will not be compelled to recognize the union.

Mr. COULTER: The stand the employers took was that they should not be compelled to recognize the union as a whole; they wanted to deal with their own plants and employees.

Mr. COHEN: I am inviting your comment on this.

Mr. COULTER: That they would deal with them as employees but that they should not be compelled to deal with the organization.

Mr. COHEN: I would invite your comment on the failure of the employers' representatives to agree even in the recommendation that it should be an offence for an employer to discharge an employee merely because of union membership.

Mr. COULTER: I am not prepared to say they did not. I do not think the employers actively opposed the passing of such a law.

Mr. COHEN: The fact remains that it did not become law until 1935. In other words, the employees' representatives at this very solemn gathering—and it was a very solemn gathering—made one simple legislative proposition, that it should be an offence to discharge an employee merely because of his union membership; and yet it took until 1935 to have that section of the criminal code enacted.

Mr. COULTER: I am prepared to answer that. I was present at that conference, and we went a long way to satisfy labour at that time.

Mr. COHEN: I should like you to examine the report.

Mr. COULTER: I can do that.

Mr. COHEN: Just one other point. Would you mind turning to page 13 of your brief, where you use the expression "put the cart before the horse." I should be very much obliged if you would indicate to me how trade unions are going to develop self-discipline and a sense of responsibility unless the employers recognize them and give them an opportunity to acquire one or both of those virtues. How are they going to develop them unless you deal with them as unions?

Mr. COULTER: My answer to that is, how do they get a union? The question dealt with here is only that of compulsory recognition.

The CHAIRMAN: When you are talking about England in that next statement, you must remember that from 1871 they specifically recognized the right of collective bargaining. They do not compel it.

Mr. COULTER: We recognized the right of collective bargaining in 1919, whether they were members of the union or not.

Mr. COHEN: How were the unions in facing that type of recognition to develop and function and demonstrate to employers that they were self-disciplined and did have a sense of responsibility, when you took the position you were not going to deal with the union representatives but only with your own employees?

Mr. COULTER: I say the employers are dealing with the unions, but the word "compulsion" is a word we object to.

Mr. COHEN: Do you suggest that to-day, generally speaking, the employers are recognizing unions and dealing with them?

Mr. COULTER: Surely, despite the fact that 82 per cent of the workers are not in unions.

The CHAIRMAN: In that 82 per cent there must be many independent company unions?

Mr. COULTER: Yes, and they deal collectively, I suppose.

The CHAIRMAN: That is a question I should like to ask you. In the same paragraph on page 13 the general position is stated that the British trade unions have "refused the assistance of legislation compelling employers to bargain with them." Of course in the English system there is no such thing as compulsory collective bargaining, but the principle was recognized as far back as 1871, although it has not been compulsory. I have heard before the statement which you give there, and I have tried to trace it down. Perhaps you can tell me where it comes from. When did the unions ever say they did not want compulsory bargaining in England? I know they have not demanded it, but I did not know that they did not want it.

Mr. COULTER: I would not have the answer to that. I do not know whether they have ever asked for it, but I know they have never received it.

The CHAIRMAN: I know they have not, but the statement is made here that they have refused the assistance of legislation. I wondered where that comes from.

Mr. COULTER: We have that information from certain sources; some of them were from British labour leaders, and some were from American authorities quoting the British worker.

The CHAIRMAN: I think I have seen some reference to it in American pamphlets of one kind and another. I am just curious about the authority for the statement.

Mr. COULTER: They never wanted it and never asked for it.

The CHAIRMAN: That statement says they refused it.

Mr. COULTER (reading):—

The above may be taken as directed generally to Part I of the list of specific topics for the enquiry mentioned in the chairman's opening statement under the heading "In the Field of Labour Conditions."

What follows is a brief statement of our position as manufacturers on the specific topics listed in Part II, under the heading "As to Wages, Cost of Living Bonus and Associated Questions."

(a) Generally as to the existing provisions of P.C. 5963 and the administration thereof.

Generally, we approve, in principle, of Order in Council P.C. 5963, and we respectfully submit that all questions arising under it should be dealt with by the National and Regional War Labour Boards; in other words, that there should be no special settlements by Order in Council unless on the request of the National Board. As regards the administration of P.C. 5963, we would venture to suggest that the National Board should go even further than it has in the past, in issuing directives for the guidance of the Regional Boards, with a view to minimizing unrest by establishing a maximum of uniformity in the application of the Order in Council throughout the country and thereby remove some of the causes of disturbance. Examples of the questions on which we believe that the National Board should issue directives are the following:—

1. Overtime rates of pay.
2. Holidays with pay.
3. Allowances for employees serving in reserve army.
4. Premium for night work.



5. Bonuses for punctuality and regularity of attendance at work and penalties for lateness and absence.
6. Employers' contribution to employees' group life insurance and pension plans, etc.
7. Clarification of "above the rank of foreman" provision.
8. Transportation allowance.

It is further submitted that there is urgent need of greater co-ordination between the administration of National Selective Service and that of the Wages Order. National Selective Service in many instances advises employers that it can only send them the classification of help they require at a rate which in many instances is in excess of the rate for the particular classification which has been fixed by the Regional Board for the firm in question.

The only adequate way of meeting the situation is, we submit, that Canada should follow the example of the United States and forbid workers employed in an essential industry to leave their present employment in order to secure a higher rate of pay. In other words, it is submitted that if National Selective Service is to perform its true function, it should be empowered to direct the movement of labour on the basis of the work required, rather than that the employees should be allowed to move from one employment to another, in order to seek higher pay.

It remains to add that we believe there is urgent need of improving and extending the present system of inspection in order to ensure more universal compliance with the provisions of the order in council.

We believe there are many cases where companies have paid rates which have gone through the ceiling without authority from the board.

The CHAIRMAN: Do you mean that a man working in a lower classification receives without authority the pay of a high classification, or something of the kind?

Mr. COULTER: No, there are far more glaring cases than that.

The CHAIRMAN: Bonuses and extra hours?

Mr. COULTER: That is one of the questions we deal with. I have known cases where wages beyond the regional board's findings were paid, and they have upset the industry and caused general demands for increased wages. It may have been ignorance on behalf of the company who paid it, but there is no check-up at the present time. I believe some such thing is now contemplated, and it would have a stabilizing effect if that were done.

(b) What, if anything, should be provided with respect to bringing about more uniformity in respect to cost of living bonus?

Our submission is that at this stage, the best, if not the only, way of bringing about more uniformity in respect to the cost of living bonus is that whenever wage increases are deemed necessary, they should take the form not of increases in basic wages, but of increases in the cost of living bonus up to the cost of living bonus maximum of, at present, \$4.25 or 17 per cent.

The CHAIRMAN: How could that be done in a practical way? Most applications that come in for wage increases are with respect to particular classifications. The type of application where a general increase is asked for is fairly rare.

Mr. COULTER: When the wage scale is set up by the board for a district where different firms employing workers in that district have different rates of pay for the cost of living bonus, it means they have to set up a schedule

which is not a schedule. Some are paying 60 cents, some four dollars and some two. The result is that what is intended to be a basis of payment becomes a different thing in different shops.

The CHAIRMAN: That has been the effect. I was wondering whether the suggestion to take the particular applications as they come in and allow increases in the cost of living bonus up to \$4.25 a week would be effective.

Mr. COULTER: The real thing is to take the cost of living bonus into consideration in fixing the maximum rate. I have in mind the rate that was fixed in Toronto at 80 cents without any mention of cost of living bonus. I know one shop paid 60 cents and another was paying \$4.25. It meant that there was a variation in the rate from 80 cents plus one cent an hour, to 80 cents plus 9 cents an hour, which was a very substantial variation. In fixing that maximum some consideration should have been given to adjusting the cost of living bonus, say 80 cents for a top rate, and if the rate was lower an additional rate could be made to compensate for it.

Mr. COHEN: Does not that statement conflict with the statement made earlier in your brief, which I questioned and which you said you would answer later in the brief, that there is a provision in the Wages Order to make adjustments in the case of unduly low rates? You remember I asked about that when you were at page 6. Is it the rate itself which makes it possible generally speaking to make an adjustment in the cost of living bonus? Assuming that to be so, you go on in the paragraph you have just read on page 15 to say there should be an adjustment in the low rates, and you give the cost of living bonus. You say the provision for doing this is to be found in the Wages Order enabling adjustment in the low rates.

Mr. COULTER: That comes in a little lower down.

Mr. COHEN: You keep pushing me down, but I still insist on an answer to it.

Mr. COULTER: That is where we are dealing with the point that there were comparisons that might warrant it. We are not suggesting that the full \$4.25 be applied to every industry. We do not mean that.

Mr. COHEN: You say 17 per cent, you mean 17 points?

Mr. COULTER: That is 17 per cent; the original percentage was agreed to be at the rate of \$25 a week.

(c) To what extent, and under what circumstances, should new conditions of work be ordered or authorized which involve increased cost of production?

If what is referred to here is such questions as overtime rates of pay, premiums for night work, vacations with pay, and the like, we would submit that while conditions in industry are subject to constant change, and it may from time to time be necessary to make adjustments in respect of such matters, even though it means increased cost of production, they must be kept down to a minimum, if the country's anti-inflation policy is to be carried through successfully.

(d) Should there be a floor below which the Wartime Wages Control Order need not be operative?

We doubt the wisdom of establishing a "floor" beneath which the Wartime Wages Control Order would not operate. It is true that wages in some whole districts are relatively low,

That is the point you want.

and that on a strict application of the present Wages Control Order, they may not be raised. If, however, such districts were taken out from under the Wages Order, it might well be that considerable dislocation might result by reason of the firms that were not in a position to pay higher wages being put out of business by the other firms.

Mr. COHEN: You might subsidize them.

Mr. COULTER: The manufacturers are not on the receiving end.

Mr. COHEN: Of subsidies?

The wages, low as they may be, were the rates that prevailed in peace time, and such peace time rates are being augmented by the cost-of-living bonus. It remains to add that in our view—and we would call attention to the fact that it is also the view of the chairman of the Wartime Prices and Trade Board—war time is not the proper time for carrying out general readjustment of wages even though a case for such readjustment on grounds of equity, can be made out.

(e) To what extent should local, zone or national standards govern conclusions as to wages?

Our submission would be that local standards should govern the determination of wages, as they have always done in the past. To abandon this principle and practice, and attempt to determine wages on any other basis would, in our view, be highly disturbing and uneconomic at any time, and should under no circumstances be contemplated in war time.

Mr. COHEN: Is that the answer to the question I put earlier about unduly low rates?

Mr. COULTER: Yes. It is question (e) in your original statement of what we should deal with.

Mr. COHEN: Might I invite your comment on this statement which appears in another document: "Lower standards tend to drag the higher down to their level. To maintain proper standards, they must be made equal in significance over all competing areas. So I think that one of the greatest services this gathering can render will be to emphasize the necessity that throughout the whole of this Dominion of Canada we have such uniformity of standards in our industrial regulations that the provinces that are behind the line, if there are any, will be brought up to the level of all the others, and one standard made to prevail so far as may be possible, having regard to differences of conditions in the different provinces." That is the statement which was made at the industrial conference you referred to earlier in your brief, by the present Prime Minister, the leader then of the opposition.

Mr. COULTER: Yes, it is also in his book, I believe. I remember reading part of it.

Mr. COHEN: I am inviting your comment on that; compare it with the absolute way in which you dismiss the question of unduly low wages. You just dismiss it and say you are confining yourself to the area. Back in 1919 at this very solemn conference the keynote speech was delivered by the present Prime Minister who there emphatically laid down a principle in clear conflict with the statement you have made.

Mr. COULTER: I do not think so, because he qualified his statement in the end by saying that provincial differences would have to be dealt with. It is quite conceivable that a man working in a small town, within walking distance of his plant, who can get home to dinner and have sufficient room to live, and probably has a market garden to work on in his evenings, if given the same amount of money as the man in the larger city, say Montreal or Toronto, would still not be getting the same money as wages. He would get far more than the man who has to pay a carfare, or maybe two, to get to work and then home again. He would have far more money left than the man in the city. That is what we are suggesting should be taken into account as the cost of living, and considering what would be a fair wage. The only way to compare a low wage area is by comparison with a similar low wage area some place else in the country.



Mr. COHEN: Then you come back to the statement on page 5 of your brief in which you state that there is provision in the Wages Order whereby adjustments can be made in the case of unduly low rates.

Mr. COULTER: Yes.

Mr. COHEN: And the result is that there is really no provision, because when you come to examine the low rate unless you find a higher rate in the locality then it is not a low rate.

Mr. COULTER: If that is the provision then I do not know what the department has been doing for years back. There have been thousands of adjustments made.

Mr. LALANDE: I may suggest that Mr. Coulter is inviting this Board to give consideration to the question of real wages in an economic sense. As you point out, the wage in a small town may be nominally lower than that in the city, but in terms of real wages to the worker it may be comparably level?

Mr. COULTER: I am suggesting the question of real wages is something which must be considered.

The CHAIRMAN: That is the question. Without competitive conditions wages in a district may be low but there may be compensating advantages which make it possible for them to be low.

Mr. COULTER: The question of real wages brings into consideration the question of the standard of living.

(f) To what extent should a "living wage" govern policies and decisions and what are the data and considerations relevant thereto?

As regards the question of whether the "living wage" principle should be applied in determining wages, we would point out that while the main factor to be taken into account in determining wages is, as must be, the productivity of labour, the cost-of-living is also necessarily taken into account. This has been markedly so since the beginning of the war under the cost-of-living bonus provisions of the Wages Order, the principle of which we approve. It is impossible to discuss the question of applying a "living wage" principle, without knowing precisely how the term is being used. As is well known, the term is capable of being interpreted in a number of different ways. Thus it might mean no more than a universal minimum wage comparable to the minimum wage standards with which we are already familiar. On the other hand, it might include the principle of family allowances which obviously would involve entirely different considerations. So far as a living wage, in the sense of a minimum wage is concerned, we do not believe that there is any real need for any further legislation on this point at the present time. Present day wages are largely the result of P.C. 7440 which established as the yardstick the peak rates of 1929; from which based itself generally anything but low, the general trend has been markedly upward. As regards a living wage principle interpreted as involving family allowances, with productivity of labour taking second place to family need, it is submitted that apart from all the other objections, it is out of the question in war time even to consider such a revamping of the whole wage structure of the country as would be involved in the application of such a principle. No one knows what Canada's economic situation will be at the end of the war. It is submitted that it would be the part of wisdom to wait at least until we have some knowledge of how we will stand at the end of the war, before adopting measures which will increase the cost of production in a way that might seriously hamper industry in playing its all-important part in solving what will admittedly be the master problem, viz. the providing of a maximum volume of employment.

All of which is respectfully submitted.

Mr. W. ELLIOTT WILSON (Chief Executive Officer, Regional War Labour Board for Manitoba):—

1. The submissions of the Manitoba Board will be confined to those phases of the inquiry, in connection with which the Regional Board has had fifteen months' experience in practical administration of wage control, entitling it to speak with some measure of authority.

*The Prime Necessity is to Secure and Maintain a Proper Perspective*

2. Canada's wartime economy gives each of us just one privilege—the high privilege of carrying our full share of the burden of war and of expecting that all others shall bear their fair share. We are thousands of miles from any actual present theatre of war. Any burden we bear is light contrasted with that carried each hour by our fighting men and women. We are not in the front line, nor anywhere near it.

3. We are at the place where industry must be content with a remnant of the margin it may have enjoyed just prior to the war. Everything above that remnant must go entirely, by taxation, to the national war effort out of which it arises. The remnant must go to necessities and, thereafter, to investment of war loans.

4. We are, likewise, at the place where labour must be content to purchase the necessities of life and to put what is left after income tax has been paid, into war loans and savings certificates.

*Price and Wage Ceilings*

5. This situation lays emphasis on the paramount importance of the wage and price ceilings. The price ceiling is what determines real wages; and the price ceiling is, therefore, just as fundamental to-day as it has ever been claimed to be. The recent "Hold-the-Line" Executive Order No. 9328 of President Roosevelt confirms that the United States after experimenting with a more liberal view, acknowledges and accepts the paramount importance of the actual ceiling, adjusting only for proven sub-standard situations and for the war-time rise in cost of living.

Mr. COHEN: The last executive order of the President called for three things to be adjusted—sub-standard wage rates, the increased cost of living, and inequities.

Mr. WILSON: Yes, but the interpretation since that time manifests that the section on inequities has been soft-pedalled, and the War Labour Board of the United States has indicated that that should be taken with great reserve.

Mr. COHEN: That may be so, but the fact remains that there was a reference in the executive order which makes this citation incomplete in that sense. It does provide for inequities. If we are to have on the record some reference to an executive order of the President of the United States, we might as well have it complete.

The CHAIRMAN: You are referring to the National Labour Board?

Mr. WILSON: To the findings they have made since the date of the executive order where they have soft-pedalled the idea of inequities. I agree that is not a complete statement of the order, it is a submission that the executive order acknowledges and accepts two paramount references for consideration.

6. Unless the price and wage ceilings are preserved, all values in savings, in life insurance, in annuities and in each of our War Loans will be swept away. Any general wage increase, with practically all of Canada on the national pay-roll directly or indirectly, would necessarily be but an illusion and worse than an illusion. Wage adjustments, therefore, must be restricted to the correction of manifest and substantial injustices resulting in actual sub-standards of living and, apart from this, to cost-of-living bonuses.

Mr. COHEN: With respect to that last sentence, to what extent in your opinion does section 25 of P.C. 5963 make it possible to effect such adjustment?

Mr. WILSON: I believe there is a basic weakness there. I should add that when I say anything apart from this brief it is not the official statement of the Manitoba Board, and having said that I need not say it again. The trouble that has been found in connection with section 25 is mentioned later in the brief concerning areas in Canada, some of which have recovered more fully than others from the depression, where a whole area may be found to be suffering from this situation. Then, if within an industry an application comes from the employer or a group of employees and reference is had to a local situation, that tends to perpetuate a sub-standard condition.

### *In the Field of Labour Relations*

7. It is unanimously urged that P.C. 2685 should be made mandatory and not merely declaratory of a desirable situation. The new Order in Council should have body as well as spirit.

8. It appears important to separate purely wartime enactment from legislation having a long-term emphasis. As a purely wartime body, the Manitoba Board refrains from advancing detailed submission on post-war policies and confines its comment to three suggestions:—  
First: The preservation of the purchasing power of the dollars now being poured into War Loans ranks definitely along the basic tenet of wartime and post-war policy; along with the fulfilment of the promise of a full opportunity to earn an adequate livelihood.

Second: Long-term policies should be developed in study and exchange of views between provincial and dominion labour officials and other interested groups; and these studies should be pushed along intensively. However, the enactment of labour legislation for the post-war period is the responsibility of the government then in power using the information secured by study and dealing with the situation then obtaining. Any legislation at this time would be futile and premature.

Third: Wage and price control must carry through the immediate post-war period; but the aim and emphasis will certainly change and the orientation of policy will alter.

### *Functioning of the War Labour Boards*

9. Uniformity of administration of the Order would be promoted by prompt distribution to regional boards for judgment in leading cases decided by the National Board. This is of growing importance in view of the right of appeal. Distribution should provide a copy for each regional board member and officer.

10. Uniformity would also be promoted in the National Board would assume the greater responsibility for laying down fundamental principles and rules of practice so that the regional board would have positive indications instead of vague generalities.

11. Regional boards have been subjected to a most regrettable attack on their standing by the implication (during the steel strike) that they have failed to administer the wage policy as the Dominion Government had intended. The method and occasion of the comment were as deplorable as the comment itself. It is respectfully suggested that, if it be found that a divergence is developing between the Dominion policy and the practice of the boards, there be first conveyed direct to the boards a clear and frank statement of the Dominion's feeling that a misunderstanding has occurred together with a restatement of the policy



which will correct the error. The boards will then be in a position either to rearrange their practice, to hold to the desired line, or else to submit to the Dominion the considerations which, to the board, appear to warrant the line which has been adopted. All this with a view to arriving at the most efficient and uniform administration of wage and cost of living bonus control.

12. A new type of problem coming before regional boards involves a determination of who is entitled to represent employees. Where an application is filed by a union on behalf of employees, the boards should have access to the I.D.I.A. machinery for a determination as to right and authority to represent; so that jurisdictional disputes may not tie up plants where the primary problem is not actual wage adjustment but the right to negotiate. Incidentally, the setting up of actual majority representation as a condition precedent to the right of representation would discourage the use of regional boards as an aid to unions which are seeking an entry into plants. Until the union has secured the adherence of a majority of the workers it is not entitled to claim to be their voice.

#### *As to Wages*

13. Posing in negative form the questions of the adequacy of P.C. 5963, one may first ask: Where has the Order failed to relieve pressure on the wage-price ceiling. There appear four main vulnerable points:—

- (a) There has been no control over the operations of the primary producer, and until this is effected many basic items in the family budget will rise sharply in price, forcing the index upward. This is not chargeable to P.C. 5963.
- (b) There has been a shift in the historic position of employers as watch dogs over wage increases. Bidding for labour tends to induce employers to over-classify employees. This can only be combatted by withdrawing much of an employer's present discretion and scrutinizing applications very closely.
- (c) Very wide increases can occur within an employer's wage structure of November 15, 1941, with crowding of the upper brackets. Without going beyond the structure of that date, firms with large staffs enjoy a distinct advantage over those with a small staff and a sketchy wage structure. One or other of two alternatives seems inevitable.

Either: every firm must be held to its proportion in each classification at the freezing date (not necessarily as late as November 15, 1941).

Or else: there must be set up for each type of establishment in each type of locality a standard wage schedule within which, under Regional Board Orders, adjustment will be available within a range parallel with that now enjoyed by the firms with large staffs.

The second alternative does not relieve pressure on the ceiling—it does afford relief from a substantial inequity.

14. The second negative question is: Where has P.C. 5963 failed to afford adjustment of actual and substantial inequity causing sub-standards of living? Apart from the last mentioned inequity, employees are handicapped, in seeking wage adjustments before the Boards, in direct proportion to their individual liability to discharge from the jobs they hope are permanent. The groups most requiring adjustment are those who most fear to seek it.

Mr. COHEN: Do you mind elaborating on that?

Mr. WILSON: As an executive officer I have a great many people coming in and complaining they have not enough wages to live on, and it is the invariable policy to say "what is the attitude of your employer?" Employers who seem most ready to discuss wage matters with their employees usually then become the applicant, or there is joint application. A great many employees are afraid to come in with an application because they feel if they apply the employers will find they do not like the look of their eyes, and therefore, not because they apply to the Board, but on account of some factor that has been long outstanding, the employer determines that that man's employment should be terminated. That is what they are afraid of, and the extent of the grounds for that fear is hard to gauge. That factor does seem to operate to an unfair extent.

15. Experience to date should provide the Boards with adequate data to show what were the generally prevailing rates for standard jobs and classifications at the outbreak of war. Subject to what is said later on the point of local or national wage levels, and to provision for correction of sub-standard situations, the wage levels of August, 1939, should be a basis, and subsequent adjustment should be limited to compensation for rise in cost of living.

16. The aggregate of the movement which has taken place since August, 1939, by way of basic wage increase and by way of cost of living bonus should be measured against the rise in the index and, once this index movement has been equalled, further adjustment should be ruled out. Only where inspection reveals that an employer is paying, in the aggregate, less than the 1939 standard plus bonus adjustment, should Regional Boards direct an increase. The appropriate type of adjustment should be directed.

Mr. COHEN: That, of course, is subject to the same limitation that is expressed in the last paragraph of section 15, as to the sub-standard situation.

Mr. WILSON: Yes, definitely. That carries through.

17. One artificial inaccuracy which is creeping in, and which should be rejected, is the placing in a special category of certain industries because of a false appreciation of their importance. Actually, once the luxury trades are discarded, no industry can now claim any special pre-eminence in essential value. The same basic values, founded entirely on relative intrinsic skill, reside in a job or classification whether it be, for example, aircraft manufacture, railway machine shops or ordinary machine shops.

#### *Uniformity of Cost of Living Bonus*

18. The "not-above-foreman" criterion is artificial and should be discarded. The rise in living costs hits no harder on a foreman earning \$200 per month than it does on a salaried official earning the same amount. In substitution there should be a rule restricting bonus to those whose earnings do not permit them reasonably to absorb the rise in costs. Bonus might be granted so that it would not carry any employee's earnings over \$175 per month.

That figure by the way is empirical. It is taken as a case in point.

At present index an employee earning \$150 per month would get \$18.42, one earning \$165 would get \$10, one earning \$175 would get no bonus.

19. If there is to be any movement towards uniformity of bonus, the basis must be laid deep and firm. A mere directive that all employers should pay a bonus higher than that reflecting the rise since October,

1941, would wreck the price ceiling without correcting the present inequity. The procedure outlined in paragraphs 15 and 16 might be followed; and the Regional Boards might be empowered to take the initiative in ordering completion of the proper adjustments, subject to an employer's right to show actual inability to pay. Wage increases granted since 1939, where no depressed situation existed, could be re-constituted as cost of living bonus, and, vice versa, bonuses granted where depressed rates still obtained could be remustered as wage adjustments.

#### *Changes in Working Conditions*

20. Changes in working conditions may temporarily disturb production costs although in the long run they are calculated to cause an actual and permanent reduction.

21. Subject to this, changes involving semi-permanent or permanent cost increases should be ruled out in wartime, except in cases of actual sub-standard and definitely harmful working conditions.

#### *"Floors"—Minimum Wages*

22. The Manitoba Board continues its support of the proposal that a "floor" be set below which the provincial governments will still be free to adjust minimum wages under their respective Minimum Wage regulations. This must be subject, however, to the authority of the Regional Board to order a suspension of the adjustments during wartime, where the price ceiling is endangered. The floor might be laid at 30 cents per hour.

Mr. COHEN: I have been very much impressed by your statement up to this time, but it seems to me you are suggesting not a floor but a cellar. That is below the amount fixed by the Order in Council dealing with low wages on war contracts.

Mr. WILSON: There is a low wage for women of 25 cents and for men 35 cents, and that is a mean between the two. But in setting a floor it is submitted that in wartime a floor has to be definitely a floor, that it must be set pretty deep, because we cannot afford to go one inch above water level in wartime.

#### *Local, Zone and National Levels*

23. There are territorial considerations, not merely of living cost variations, but freight differentials, etc., which have always entered into local wage setting. It does not appear to be a proper part of wartime emergency economy to disturb these.

24. However, it is a fact that certain areas in Canada have not, as of November 15, 1941, recovered as completely from the depression of the '30's as have the more highly industrial sections. Recovery to comparable levels should not be arbitrarily denied, nor equally arbitrarily conceded. There should be a policy of seeking properly comparable centres and applying a formula which takes into consideration the historical differentials which properly obtain, within a skill or trade, as between these comparable centres. Reasonable adjustments could then follow to ease the depressed situation.

Mr. COHEN: To what extent do you take into consideration the migration of workers from an area where there is a relatively high standard of wages to an area where there is a relatively low wage level? Do you suggest that those workers because they are found in a low wage area are to adjust themselves to the historic condition you speak of?

Mr. WILSON: I believe that would have to be subdivided into types of employment. Where a large construction job is going on in a rural community one has to realize that the labour supply has to be secured, and there will be a



disturbing effect on the local wage situation. There are people who come in to different wage areas of their own volition, intending to settle there, but they must become part of the local situation whatever it may be. The movement, however, goes both ways. Where there is a major wartime construction project that almost creates an extra-territoriality in that neighbourhood, you have to face it and determine whatever wage levels may be necessary to get the work done, and take what that means in the way of upset.

Mr. COHEN: Do you suggest it would be constructive to divide a low wage area into occupations that could be tied in with the contract, or war production and occupations not so clearly identified, permitting the first group one set of wage rates and the second another? Do you suggest people are going to work normally under those circumstances?

Mr. WILSON: I do not think I suggested that. Take for instance the construction of airports in Manitoba in an area where there have been ten men available for ordinary construction work. They were needed on the farm; perhaps seven of them went to Winnipeg, and there were only three left. There has to be an entirely artificial set-up, because the project means the bringing in of large numbers of men to build the airport. The local situation has to be changed to meet those changed conditions, but it is not a permanent industry.

Mr. COHEN: You are referring now to construction projects, something that may come and go. Suppose a group of workers who have been released from employment in a northern gold mine find themselves in a steel plant in the low wage areas. They are not construction projects, but they are essential war projects. Do you suggest that those people should be unconscious of the fact that they have come from an occupational area that gave them a much higher wage standard?

Mr. WILSON: You deal with the general sub-standard situation as a whole so that those who have been in that area and are suffering from the sub-standard conditions benefit equally with those who come in. That is the basis for the suggestion that sub-standard conditions in general be rectified.

Mr. COHEN: I understood your emphasis to be on maintaining it rather than changing those historic differentials.

Mr. WILSON: I am suggesting that in the development of the whole of Canadian economic life in industry and production, these historic differentials have to be dealt with. Then we have the situation caused by failure to recover from the economic depression. There are certain differentials which I think have to be maintained, otherwise industry cannot continue in the area at all. The manufacturer has to decide whether he is going to close up his shop entirely, or whether he is going to operate on a basis which will allow him to absorb certain things. Those are the historical things which I submit must continue.

Mr. COHEN: I suggest that you are not giving sufficient consideration to the impact of the new situation in these areas.

Mr. WILSON: That is quite probable, because the experience which I am speaking from is restricted to Manitoba, where there has not been a terrific impact. There may have been elsewhere, but I can only speak of things of which I have some knowledge.

The CHAIRMAN: You have Winnipeg. You have a case there where the rolling mills which were closed were reopened after a long time.

Mr. WILSON: Yes.

The CHAIRMAN: But what you are substantially saying is that one has to give an eye to the future. Where there are differentials and that sort of thing the workers are in a different position. I think that is sound.

Mr. WILSON: The brief continues:—

25. One phase of the National Board Chairman's query on local, zone and national standards raises the query: "Does the National Board favourably consider allowing a multi-provincial company to standardize its range of pay,

I might define the term "multi-provincial company" as a regional employer.

"for all its establishments, at the widest range paid across its establishments?" A possible criterion would be that the governing consideration is: "Who are affected?" The local merchant, office or manufacturer should not be put at a disadvantage in the local labour market where no such disadvantage actually existed at the outbreak of war. National standards should be restricted to those types of technical employment where Dominion-wide transfers have consistently been and are standard practice.

#### *Living Wage Formulae*

26. The basic difficulty is to define a living wage. Presumably, if a certain job, in peace time, paid consistently a certain level of wage to a standard type of employee in a district, that wage was a living wage and should be adjusted only in respect of living cost rises. There is, after all, no way of assuring that an adequate wage received by any individual will be so administered by him that he and his dependents will not live on a sub-standard basis while a substantial part is wasted or dissipated. To set up a "living wage" standard in war time carries as a necessary corollary the taxing away, from an employee with less than the standard number of dependents, the advantage he would otherwise enjoy in comparison with the male adult supporting the standard family.

In submitting the foregoing, it is not to be assumed that the Manitoba Board finds itself wholly in accord on all points. It can be truthfully said, however, that the Board has found it possible to function in harmony and with a deep mutual respect among those who, primarily appointed by industry and by labour, are working together to administer a wage control policy for the best interests of Canada's war time essential good.

Respectfully submitted.

Adjourned to 2.30 p.m.

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Pursuant to adjournment the hearing was resumed at 2.30 p.m.

Mr. R. P. JELLETT (Canadian Chamber of Commerce): I have with me Mr. Harold Crabtree, past president, and Mr. D. G. McKenzie, past president, Mr. McFarlane, our chief of the executive, and Mr. Morrell, secretary, who with your permission will read our brief.

First may I say that I and, I am sure, my associates, view with admiration the task which you have undertaken. It seems to us that the question of labour relations is of first magnitude. It is difficult beyond belief, and will always be difficult. There is the question of how far prices may rise, what we should do with labour, and how we are to compete in foreign trade. All these points come into labour relations, and it is extraordinarily difficult to do justice to the situation. If there is anything I can say or do, as an entire amateur, never having had dealings with a labour union myself, we not being organized, but from the point of view of a man who reads the newspapers and is interested in the country, I shall be pleased to do it.

Mr. COHEN: If in the course of the brief being read there are any questions to be asked would it be quite in order to address them to Mr. Morrell?

Mr. JELLETT: Just as you like. If you address them to me I would like to have the privilege of addressing them to someone who may be able to answer them better than I can.

Mr. COHEN: I would not start out by suggesting there will be questions.

Mr. JELLETT: Having read our brief I cannot think of any questions that might be asked.

Mr. COHEN: I just wanted to be prepared.

Mr. JELLETT: Mr. McFarlane, chairman of the executive, will answer any questions.

Mr. MORRELL (reading):—

The Canadian Chamber of Commerce through its elected executive committee welcomes the opportunity to express its views on the important questions being considered by the National War Labour Board. For the information of the Board, it may be said that time did not permit a polling of the Chamber's membership which includes throughout all the provinces, some 150 Boards of Trade and Chambers of Commerce which, in turn, embrace a membership of some 24,000 individuals. This associated membership, together with a number of national trade associations and many business enterprises of a national character which support the Chamber, includes the majority of Canadian employers. Some of the groups within the Chamber's membership will, however, submit their views, in detail, directly to the National War Labour Board.

Thus, with a membership drawn from communities in both rural and urban areas, from businesses both large and small, and of a financial, commercial or industrial nature, we confine ourselves to general observations rather than engage in a technical discussion of the details of labour relations and wage questions.

We believe that we speak as would the general public who are quite outside the scope of the negotiations which must take place from time to time to settle labour disputes, but who are vitally affected by the outcome of such disputes. Those dealing with labour relations should, therefore, keep in mind not only the interests of management and organized labour, but also the interests of the majority of workers who do not belong to any union and of consumers, generally.

We welcome the decision to hold the present inquiry in the hope that it will point the way to a solution of a situation that is dangerous and challenging. Canadians want to see peace on the home front to bring early victory abroad. Industrial peace is necessary for total war. Specifically, we hope that the inquiry will have three constructive results:—

- (1) The inquiry should result in a clear enunciation of policy in a single code which can be easily understood and enforced and which will, in effect, promote good labour relations.
- (2) The inquiry should lead to improvement in the machinery to deal promptly with disputes.
- (3) This inquiry should bring us to a new realization of our identity of interests in securing the utmost production for the effective prosecution of the war and for the satisfaction of peacetime needs.

### *Labour Relations in General*

Employment can best be maintained and increased by increased production. Such increase can only be maintained by sound and progressive industrial practices combined with good labour relations. Where



in this brief we may step outside the scope of the present inquiry, we hope that the suggestions made will be considered by those persons who can act on them.

It would be entirely wrong to treat labour relations as if they were concerned only with avoiding strikes and dealing with wage demands. Good labour relations depend on sincerity of purpose and a sense of humanity; they depend on morale, individual and national; and they depend on the recognition that industry is a partnership of capital, management and labour as well as of the community they serve.

Neither employers nor officials of trade unions should regard labour as a commodity. Particularly to-day, no one should take advantage of war conditions to improve their competitive positions in their respective fields as employers of labour or organizers of labour.

Mr. COHEN: From a hurried examination of the brief during the adjournment hour the second sentence in the paragraph just read seemed to me to present a certain amount of difficulty. I am not quarrelling with the suggestion that no one should take advantage of war conditions, but suppose with a view to the most effective mobilization of the forces of the country, and with a view to bringing about that identity of interests which you mention in the third section at the top of the page, there should be some change in the relative position of organized labour on the one hand and employers on the other, there would be no objection to bringing about such a change, even though it was brought about in war time?

Mr. McFARLANE: That would seem to me to be the whole purpose of a board such as yours; if there is a situation of that kind it would come up for final arbitrament by some board, and matters could be discussed for final adjustment. If we do not start thoroughly, there may be changes.

Mr. COHEN: I am thinking of what you indicate in this paragraph, that there should be a settled condition during war time as between the interests of the employers in their competitive position on the one hand and the organizers of labour—which I take to mean the trade unions—on the other. It may be found, upon examination into the subject, that as the war progresses there should be a rearrangement of those interests for the benefit and advancement of the war effort. Under these circumstances is it not quite proper that conditions should be brought about by changes in laws or policies that would facilitate that development?

Mr. McFARLANE: That is what we are looking for and hoping for from boards such as yours, and that where adjustments are to be made they should be based on equity to the relative interests of the parties concerned.

Mr. COHEN: You do not suggest in this sentence that it would be wrong to advance unionization generally in the country during war time?

Mr. McFARLANE: Not to change the status quo at all, but to allow any progress that will advance the war effort.

Mr. COHEN: I wanted to be clear on that.

Mr. McFARLANE: To hold the scales fairly between the parties and facilitate the progress of the war is what should be done.

Mr. LALANDE: I suggest that the sentence does not imply quite that. It takes into account the fact that there are respective fields, and that no one should take advantage of the war to advance his own competitive position in his respective field. In other words there are different types of employers of labour and different types of workers.

Mr. McFARLANE: As Mr. Lalonde says, the emphasis is on the competitive position, not to take advantage of it.

Mr. COHEN: What test do you suggest?

Mr. McFARLANE: Is it not more or less this: The government has hesitated to freeze some conditions. Is it not possible for the government to freeze the condition; to say that the work is to be done and these are the conditions; do not battle between yourselves; keep on the basis on which you have started; production is all-important, and neither of you shall take advantage of that to make your position better at the expense of the other.

Mr. COHEN: It does indicate the idea of a static stand during the war as between organized labour and the employers.

Mr. McFARLANE: We limit that to the merits of the real situation. That is why we have the boards; they are to be consulted, and they must weigh the merits of a certain argument and decide upon those merits.

Mr. COHEN: The chairman suggested this morning that the rolling mills reopening in Winnipeg might have some effect on the post-war position as regards the differentials with respect to transportation costs. Suppose the workers, keeping an eye on the post-war condition, said they would like to have whatever advantages a trade union could give them, that it would advance their morale, in your opinion would the pressing of that idea be taking advantage of the war conditions?

Mr. LALANDE: I suggest that that particular sentence does not mean that.

The CHAIRMAN: It all represents a conflict between the position of employers and labour in their respective fields. You might have in mind an organization of labour who is walking into some other union's field and spreading literature around urging that employees should join his union, that despite the government's policy he will see that there is an increase in wages, and that sort of thing. That is what you are contending with?

Mr. McFARLANE: Yes, or on the other side where the employers would get together to take advantage of their competitive position to freeze out someone else.

Mr. COHEN: You mean there should not be undue and unfair competition between employer and employer or between union and union?

Mr. McFARLANE: Yes, exactly.

Mr. COHEN: I must confess that it is not clearly stated as I read the paragraph.

Mr. MORRELL: The brief continues:—

### *Effects of the War*

It must be recognized how much the war bears on the present situation. Canada is fighting for her existence. Canadian industrial resources and skills have made Canada the fourth greatest industrial power in the forces arrayed against the enemy. There is virtually full employment at higher real wages than ever before. We have every reason for pride in what we have accomplished. We should recognize quite plainly its implications.

A great part of the people of Canada are engaged directly or indirectly in war work for the government of Canada. In peace time the Dominion Government constitutionally has little to do with labour matters which mainly fall within the jurisdiction of the provinces. To-day the government has the constitutional power to deal with labour matters under the War Measures Act, and the government has in fact become the principal employer.

This wartime development has meant that in a large part of the field of labour relations the Dominion Government has been substituted

for the nine provincial governments. But in so far as labour relations in peace time industries are concerned the nine provincial governments still have jurisdiction, apart from the wage ceiling and the powers conferred under the Industrial Disputes Investigation Act. These war time constitutional developments have left serious gaps. The end of the war will bring more serious confusion unless the change-over is planned and worked out in advance.

Continuation of employment at the present level depends to-day on the export of munitions. Canada could not find the United States dollars to pay for materials she needs from the United States if the United States stopped buying the hundreds of millions of dollars worth of materials and munitions she buys from us. The continuation of the present arrangement depends on the continued belief by the United States that it is in the interest of the Allied war effort that we should continue to produce the material. Insofar as wages affect cost of articles for export they have a definite bearing on sales and on employment in war and still more in peace.

More than one-half of all production is for war. More than one-half the national income is needed for war. To preserve the purchasing power of the money in the pockets of our workers and others, to prevent our being cheated by inflation, our government imposed wage, salary and price ceilings. Despite some inequalities which remain to be ironed out, the great majority of Canadians support price control in order to avoid the worse evil of inflation.

No one looking to what is ahead of Canada in the war can doubt that the time of greatest strain and of heaviest sacrifice is still to come. To pass through the ordeal with undiminished strength and unity will take the utmost in co-operation, in understanding and in goodwill.

#### *Need for Understanding*

There should be no chance of anyone misunderstanding the position to-day. Government, industry and labour should do everything they can to bring home the importance of the war to us; the dependence of the Allies on us for essential supplies, like aluminum, nickel, zinc, mercury and other metals, chemicals, guns, electrical equipment; the interest of every Canadian in the reputation of Canada; the need for the utmost efficiency in production and distribution; the necessity for a continuously expanding economy to enable the steady improvement in social conditions. People of all classes and parts and races must be brought to recognize their common interests. This is no time to be calling each other names. Canadian labour has generally worked splendidly during the war. Capital and management have made their contribution. The task of creating Canada's war industry has been a task of gigantic magnitude and, while not perfect, the achievements have been great and the results have been impressive.

The interdependence and the contributions of all parts should be recognized. Problems of taxation and price control have become of immediate vital interest to all citizens. Everyone is hit by taxes. How much worse would we all be hurt by inflation?

Good labour relations, like any other human relations, depend on knowledge above everything else. There should be a continuous dissemination of information to prevent mistrust and misunderstanding.

We recommend that much more be done by the government, by management, and by labour to explain the necessity for the price ceiling, for heavy taxation and for large internal loans as measures to spread fairly the heavy burden of the war.



*Difficulties in Canada*

This information is needed in Canada where the situation is made more difficult by many cumulative circumstances. Canada has five economic areas stretched across the continent with wide differences of traditions, trade practices and standards of living. The racial complexity of Canada is another factor. The trades union movement has grown rapidly in recent years. Although our political institutions and customs are largely derived from England, the trades union movement in Canada is closely linked with that in the United States. There are competing pulls of tradition and interest. Moreover, the country is just emerging from the period of primary development. Every one of these circumstances adds to the difficulty of dealing with labour relations in Canada.

We have the further complication that employees belong to a number of different organizations, some of which are actively competing to secure support by promises to obtain concessions. In a race without rules the union which is most aggressive is likely to get the most support. Steps must be taken to protect those whose sense of social responsibility prevents them from pursuing their own interests more vigorously. We believe the great majority of workers, men and women, are less interested in which union, if any, will represent them than in seeing that they get fair treatment and have a recognized place in the national partnership.

*Participation of Labour*

The view has been expressed that labour should have a greater participation and share in the responsibilities on the various government boards, when such experience will be helpful. The particular experience and point of view of the workers in the ranks of industry should be represented on government boards which formulate and enforce policy with regard to such matters as determining essential occupations, controlling prices, rationing, priorities, means to improve morale, social and industrial welfare, recreation, civilian protection, etc.

*The Basis of Employer-Employee Relations*

The best possible relationship between employers and employees will always be based on mutual respect and goodwill. Employers and employees must be ready at all times to meet together and deal with each other on a basis of equality and with due regard to the rights of these two parties, and of the public.

We believe that every employee values his personal standing, and wants to be dealt with as one entitled to be kept informed on important matters affecting his means of livelihood, and to have a share in responsibility for efficient operation.

A man is apt to distrust and suspect those whom he does not know. This simple fact is the cause of much industrial unrest. We urge the supreme importance of company policies resulting in closer personal contacts between the leaders of management and of labour, as well as between the supervisory staffs and the men. Few men are satisfied to be merely cogs in a machine, and these personal contacts will give management and labour greatly needed opportunities for explaining to each other their aims, difficulties and methods. Action along these lines has become necessary because the diffused ownership of industry has naturally brought about an impersonal relationship between owners and employees.

The cultivation of personal contacts will promote the interchange of views and will tend to develop the sense of responsibility without which it will be as difficult for our industrial as for our political system to work. Similarly, the development of grievances should be recognized as an

ever-present danger, liable to be as disastrous to the industrial machine as the presence of grit. Provision for dealing with grievances should be made in every industry and in every labour agreement. Labour-management production councils and every other cooperative means to increase efficiency and improve conditions should be progressively extended.

### *Collective Bargaining*

We approve the principle of collective bargaining but couple with such approval the necessity of assuring that the majority representation is fairly established, if necessary under government auspices after hearing the claims of the interested parties.

General approval of collective bargaining does not imply placing the exclusive right to make a single bargain in the hands of the representatives of a bare majority of all the employees of a single employer. There may be a number of different groups of employees, differentiated as to skill, trade or occupation, who have nothing in common except the fact that they are working for a single employer. In many industries there are a number of agreements made with a number of groups of employees, and any system of collective bargaining should permit of such separate agreements where that is desirable.

We believe that the interest of all concerned can be best served when there is genuine representation of all the workers, irrespective of the union they belong to or whether they belong to a union or not. We advocate the right of any employee to join or not to join any union, or to resign from a union, without his right to work being affected.

Mr. COHEN: I am a little puzzled about the sentence which is at the bottom of page 6: "We believe that the interests of all concerned can be best served when there is genuine representation of all workers, irrespective of the union they belong to or whether they belong to a union or not." Assume that in a given plant a majority of the workers are members of a trade union, and assume also that some of those who are not members of the trade union desire to be represented in these craft unions for which you quite properly provide. What do you mean when you say that the interests of all concerned can be best served when there is a genuine representation of the workers whether members of a union or not? How are you going to carry on? I am not critical; I simply want to be clear on the point.

Mr. McFARLANE: I think this troubles us as much as it troubles you. The best way to secure adequacy of representation in the association between employer and employee is to give genuine representation, that is, a group of employees represented by duly elected representatives voicing the opinion of a group of constituents. The bare majority of fifty-one per cent seems to leave out the others who want representation, who want a voice in matters concerning their affairs, and in the bargaining between employee and employer. It is a troublesome feature.

Mr. COHEN: I am trying to understand the matter. Suppose you have seventy-five per cent?

Mr. McFARLANE: That I would say would be genuine or substantial.

Mr. COHEN: It comes down to this, that something barely more than a bare majority is not sufficient?

Mr. McFARLANE: It should be a substantial majority.

Mr. JELLET: I think what we had in mind was the possibility of a bare majority being the sole bargaining agency. We thought it was idle to obtain some such system as that. These minorities, even if they have not control, have a voice to be heard.

Mr. McFARLANE: It is right that a substantial group of employees should voice their opinion without craft or without union, but not just a bare majority of 51 to 49.

Mr. COHEN: I think you can quote me on that point. I was foolish enough to produce some observations in book form, and I think I there suggested that a bare majority was not sufficient. I believe I said sixty per cent. That is the point?

Mr. McFARLANE: Yes.

Mr. COHEN: Fifty-one per cent is not sufficient; and there should be some other point indicated as a measuring rod, so to speak, of the adequacy of the representative character of the bargaining agency?

Mr. McFARLANE: That is right.

Mr. MORRELL: To continue:—

The employee as an individual should always have direct access to the employer and the employer to the employees.

We hope that unions will come to believe in legislation requiring them to register, to file annual returns of their officers, and to furnish their members with annual statements, in the same way as corporations under the Dominion Companies Act. As unions have become more powerful it becomes hard to justify their remaining outside the scope of the ordinary law. If a union is given the right to represent a group of employees it must logically be put in the position where it is bound by its own acts.

### *Agreements*

Just as the best settlement of a dispute is a voluntary settlement, so the best way for employees and employers to settle the conditions of their working together is by an agreement voluntarily arrived at. An agreement which determines conditions of employment in the interest of both parties should create the atmosphere of cooperation and provide the machinery for the prompt adjustment of disputes internally.

The CHAIRMAN: I wonder if I might interject and carry you back to the paragraph with regard to responsibility of the unions. I understand the suggestion that the unions be required to register, to file an annual return, and I suppose hold annual elections and so forth, in the same way that a company is required to do, but then you go on from there to this sentence: "As unions have become more powerful it becomes hard to justify their remaining outside the scope of the ordinary law. If a union is given the right to represent a group of employees it must logically be put in the position where it is bound by its own acts." I wonder if Mr. McFarlane would care to enlarge upon that. It is a pretty broad statement. It is coming up all the time, and I never know what people have in their own mind.

Mr. McFARLANE: May I excuse myself from any question on the legal aspects of the matter, since I am not qualified to express a view. Just as a layman my definition is this. There are features in an agreement between employer and employee on wages and other allied interests in labour relations. They have the various officers elected by the employees sign the agreement, and on the other side the management also signs the agreement. It is to be enforced and considered under the normal guarantee applications and characteristics of that agreement, and both parties assume definite responsibility to maintain that agreement during its lifetime.

The CHAIRMAN: It is a moral responsibility?

Mr. McFARLANE: That is my definition. Now, to come to your question; it has been alleged in discussions between employers, in the newspapers and



other places, that employees' representatives will determine during the life of their contract whether there has to be a difference in wages; in other words they may say: We made a mistake in 1939 when we signed the agreement; we want to change the wage rates and the hours of work, the overtime or differentials or vacations with pay, and we want to negotiate. Employers have done the same thing. What we say is that when we make a contract let us have a good one and live up to it. The forces we have control over have no right to change it. It should be a good agreement and one side should not be able to disturb it.

The CHAIRMAN: That is the question I am interested in. I subscribe to the principle, but if one side does disturb it, what is to be done?

Mr. McFARLANE: We say that you in your report should see to it that some restrictions or some limitations should be laid down. We think that laws or orders in council should be passed making it an offence to try to change that contract during its lifetime, unless both parties agree to the change.

The CHAIRMAN: In that connection what would your view be on the question whether these contracts generally speaking should be made, for instance, for more than a year?

Mr. McFARLANE: That is dealt with.

The CHAIRMAN: It is dealt with, is it?

Mr. McFARLANE: Yes, on rather a wide scale. Of course participating parties can determine the life of the contract, each one being aware of the conditions of the contract entered into.

The CHAIRMAN: I have in mind cases where evidently the bargain was regretted; possibly there was no legal justification for it, but there might have been some change of conditions. Suppose there is an agreement and difficulties arise and the union does not adhere to its contract, what is to be done about it?

Mr. McFARLANE: That is the intent of this paragraph. We suggest that through this inquiry ways and means be found to alleviate that position.

The CHAIRMAN: You want us to be the "ways and means committee"?

Mr. McFARLANE: To act as the instrument. You are created as such, and what we suggest is that you indicate legislation or direction as to honouring the conditions of a contract, unless both parties agree to changes for the benefit of the principals to the contract.

Mr. MORRELL: The brief continues:—

The usefulness of any agreement depends on whether or not it is going to be lived up to. Once an agreement has been entered into between an employer, or group of employers, and employees, the agreement should be binding on both parties. This is laid down in certain provincial laws but we know of no machinery for dealing with agreements and enforcing them in the federal field and this should be provided for by the labour code proposed below.

This code should lay down the requirements which an agreement must satisfy. For example, it might be limited in duration to one, two or three years; it should provide adequate machinery for dealing with grievances and every kind of difficulty that might arise; and it should provide for a method of renewal.

Agreements made by authorized representatives of the parties should be filed with the Department of Labour and have the force of law on the department ascertaining that they have satisfied the requirements.

### *Strikes and Lockouts*

The records available to the Board will show what are the main causes of quitting work. Many recent interruptions of work have arisen over questions of representation of the employees or of dealing with a grievance

or over other matters which it should not have taken a stoppage in production to settle. It should be both unnecessary and impossible for either a strike or a lockout to arise over such a question as representation.

To delay the production of necessary munitions of war is helping the enemy. The vast majority of the people of Canada hold no ground to be sufficiently serious to justify a strike or lockout in a war industry or in an essential service in war time. A succession of work interruptions in war industries will turn public opinion against unionization and lead to repressive legislation.

While we hold these strong views on strikes and lockouts in war industries, we recognize that the war does not justify the continuation of any unfair condition. Labour legislation and labour policy must clearly state the rights and duties of the parties and provide the best possible machinery to remove causes of difficulty before they reach the cease work stage.

### *Respect for Law*

What is needed is a clearly stated code or law that lays down workable machinery that must be used. The law on labour relations like every other law must be respected and enforced.

Decisive action based on sound principles always commands the respect of the responsible elements in labour and management. It makes for stability. Compromise forced by lack of principle wins the contempt of all and promotes nothing but uncertainty and conflict.

### *Need of Codification*

As matters stand to-day the laws relating to labour conditions are numerous and complex. In the federal field there are, among others,

1. The Trades Union Act (R.S.C. 1927, c. 202). The Conciliation and Labour Act (R.S.C. 1927, c. 110). Sections 497, 501, 502, of the Criminal Code. The Industrial Disputes Investigation Act (R.S.C. 1927, c. 112) and the orders extending its application—P.C. 3495 of 7th November, 1939 and P.C. 1708 of 10th March, 1941. P.C. 5522 of 22nd July, 1941, authorized the Minister to appoint inspectors and this was extended by P.C. 1174 of 9th March, 1942.

2. P.C. 2685 of 19th June, 1940, containing a declaration of principles.

3. P.C. 4020 of 6th June, 1941 which established the Industrial Disputes Inquiry Commission, as amended by P.C. 4884 of 2nd July, 1941, P.C. 7068 of 10th September, 1941 and P.C. 496 of 19th June, 1942.

4. P.C. 7307 of 16th September, 1941, as amended by P.C. 8821 of 13th November, 1941, imposing conditions on the right to strike.

5. P.C. 5963 of 10th July, 1942, as amended by P.C. 1141 of 11th February, 1943 and P.C. 2370 of 23rd March, 1943, dealing with Wartime Wages and the cost of living bonus and the appointment and functions of the National War Labour Board and the Regional War Labour Boards, also dealt with in P.C. 9022 of 19th November, 1942, and other orders, (P.C. 5963 replaced P.C. 8253 of 24th October, 1941 which was amended by P.C. 9514 of 5th December, 1941, P.C. 9926 of 31st December, 1941, P.C. 10195 of 31st December, 1941 and P.C. 871 of 6th February, 1942. P.C. 8253 itself had replaced P.C. 7440 of 16th December, 1940, as amended by P.C. 4643 of 27th June, 1941) P.C. 7679 of 4th October, 1941, dealt with

minimum wage rates payable by government contractors and P.C. 6801 of 23rd November, 1940 with fair wages in government contracts.

6. P.C. 10802 of 1st December, 1942 dealing with the employees of Crown Companies.

In addition there are the laws of seven provinces extending the application of the Industrial Disputes Investigation Act (e.g. R.S.Q. 1941, c. 168) and laws in every province dealing with fair wages, collective labour agreements, collective bargaining and the like.

To say that the situation is confusing is an understatement.

There is even uncertainty as to the constitutionality of the procedure whereby the provinces made the Industrial Disputes Investigation Act apply to the industries it covers, and there may be uncertainty as to whether the Act can be effectively enforced by the Dominion authorities alone.

The Industrial Disputes Investigation Act, although enacted in 1907, was an admirable piece of legislation. It was passed, however, at a time when jurisdictional strikes were unknown and there were few collective labour agreements. Moreover, the Act requires a strike vote before a Board is ordered (see section 16, which should, however, be read with P.C. 4020 enabling the minister to appoint a commissioner without a strike vote). The requirement of a strike vote in the Act sets the psychological stage for a strike by tending to show that a dispute will not be taken seriously without a strike vote. This has unfortunately been sometimes true in the past. A strike vote also makes it more difficult to accept a settlement. There should be no need of a strike vote to set the operation of conciliation and settlement in motion, provided there are other means of ascertaining that a dispute is serious.

At present, wage demands go to the National War Labour Board and Regional Boards, while other disputes go to a Board under the Industrial Disputes Investigation Act or to a commissioner appointed under P.C. 4020. Recent experience shows that labour difficulties do not conform to this division in jurisdiction. What is needed is a comprehensive labour code which would make plain the intention to avoid disputes and provide the machinery to deal effectively with them before they reach the strike stage.

Mr. COHEN: You feel there should be one set of machinery to deal with all phases of a dispute whether they arise out of wages or any other matter?

Mr. McFARLANE: I think the idea when that was discussed was that the effectiveness of the strike vote was unnecessary. It could be met by the appointment of a conciliation officer or other machinery before the strike stage was reached, whether the dispute was an actuality or otherwise. In other words the strike vote seems to have grown out of fashion.

Mr. COHEN: I may not have made myself quite clear, I was interested in the third paragraph of page 10 where you say, "recent experience shows that labour difficulties do not conform to this division in jurisdiction." From what you have said I take it you think there should be one type of tribunal that can deal with industrial disputes whether they be of one character or another?

Mr. McFARLANE: Yes.

Mr. MORRELL (Reading):

The situation demands the review of the whole body of labour and allied social legislation to set out in a single place all the laws within the legislative competence of the Dominion and necessary to enunciate an understandable and enforceable labour policy.



*Organization to Deal with Labour Matters*

The organization to deal with labour problems in the federal field should be simple so as to show clearly where responsibility falls and provide an appropriate instrument to meet every need.

This can best be done through three instruments. Two of these—the Department of Labour, with its various branches, and the National War Labour Board and Regional Boards—already exist. The third, which we call the National Council on Labour Relations is suggested later in this brief.

*Machinery for Dealing with Disputes*

A labour dispute is not like a lawsuit where the parties have conflicting rights which can only be settled by a decision of the courts. It is not enough to have a labour board adjudicate on disputes. Machinery must be continuously available for dealing with grievances and preventing disputes. The success of a labour policy is not measured by the number of disputes decided but by the absence of disputes resulting from good employer-employee relations, which render disputes unnecessary.

The code to which we have referred should describe the functions and powers of the Department of Labour for avoiding and settling labour disputes along the following lines:

1. In case of any dispute arising and without there being any need of a strike vote, the Minister of Labour on a request by anyone interested or on his own initiative may take the following action:

2. The minister may direct an immediate investigation by whatever means he may consider suitable.

3. If satisfied that a dispute is serious, he may appoint a conciliation board or order the question to be dealt with as provided in collective labour agreement.

4. The minister may take steps to ensure that a dispute is dealt with promptly and without disturbance and he may issue orders to prevent anything being done which is likely to aggravate a situation.

5. The minister may at any stage refer a dispute to the National War Labour Board or to the Regional Board.

6. An agreement arrived at between the parties or a decision by the National or a Regional Board shall be binding on both parties.

7. The procedure shall provide for action with the utmost promptness perhaps even specifying the time within which the various steps, required under the code, must be taken.

8. A strike or lockout made without referring a dispute to the National or Regional Board or occurring while a dispute is under consideration by the minister or before the Board, shall be illegal.

9. Taking part in an illegal strike or lockout or refusing to obey an order given under the above provisions shall render a person liable to specific penalties and, in addition, the minister may apply to a court for an injunction.

10. The minister or the attorney general of any province may direct the prosecution of anyone not complying with the order or the injunction.

11. The minister shall give adequate publicity to any action taken so as to enable the public to know what the situation is, what action has been taken and why it has been taken.

*National War Labour Board*

The National War Labour Board should have power to deal not only with wages but with all other matters and to act on its own initiative to prevent as well as to settle a dispute.

The question arises as to whether the National War Labour Board should have any control over the machinery of investigation and conciliation. While there is a good deal to be said for not separating the functions, we believe that better results will be obtained if the investigation and conciliation machinery continues to be exercised by the Department under the Minister. But there should be the closest possible co-operation, not only on lines of policy, but also on matters of immediate administration, between the Board and the Department so that the two together with all other agencies through the country, form a single instrument to implement a single policy.

Reports indicate that there is considerable disparity in the practices and findings of Regional War Labour Boards. There has been complaint at delays in certain cases. In labour matters prompt settlements or decisions are almost as necessary as are fair decisions. The National War Labour Board should exercise general supervision over the Regional War Labour Boards and through consultation and directives, endeavour to secure uniformity of decision.

*National Council on Labour Relations*

A number of committees have come into being in connection with labour policy. These are additional to the National and Regional War Labour Boards. They include:

National War Labour Board Advisory Committee

Consultative Committee on Labour Policy

Advisory Council to Inter-departmental Committee on Labour Management Production Committees.

No single body is charged with the responsibility of giving continuous consideration to labour matters. Employers' and employees' organizations press their separate points of view on labour matters, and it is not enough that the government should sit as an arbiter. Something is needed to bring the parties together for constructive purposes in an atmosphere of co-operation.

To achieve this purpose, we recommend that the government appoint a National Council on Labour Relations with representatives of organizations of employers, of organizations of employees, of the dominion and provincial governments and of consumers. This Council should do in Canada what the International Labour Office has done throughout the world. The members of this Council, meeting together as such, would tend to take a larger and more objective view and work together to find the answers rather than serve their immediate separate interests. Such a Council would consider and advise on policy in respect to the framing of labour legislation; it would provide a continuing body for study and research and promote the dissemination of information and the development of understanding. The Council would provide a basis on which a satisfactory system of industrial relations might gradually be developed. What is important is that by every means we should direct attention to the positive and constructive side of labour relations and prevent concentration on grievances and disputes.

Any of the commissions or committees at present usefully functioning in an advisory capacity could be continued as sub-committees of the Council which should have a small, full-time, independent secretariat of people having experience in labour matters.

### *Wage Rates and Cost of Living Bonus*

In a country as large as Canada, it was inevitable that different wage rates for the same work should come to be accepted in different parts of the country. The fact that rates of wages come under the jurisdiction of the provinces accentuated this natural tendency. When during the war so great a proportion of the industrial effort is made for a single purchaser, it is natural that serious complaints should be voiced at the continuation of disparities and inequalities. Obviously people doing equivalent work in the same locality should receive the same basic rate of pay. The fact that wage and cost of living bonus rates were out of line in some industries in a single locality has given rise to disputes. It is necessary to remove discrepancies, inequalities and inconsistencies in basic wage scales where they occur in the same locality.

When we come to discrepancies in wage rates in different localities, the question is very much more difficult. It may be that these discrepancies are due to a traditional rate established over a long period of time or they may be due to differences in the bases of costs of living. We do not believe that any general scale of wage rates can be laid down for application throughout the country, or that all differentials can be wiped out. We are strongly of the view that exceptional industry, experience, skill or initiative should be rewarded by higher pay. Moreover, in peace time, government should seek to impose minimum wage rates rather than maximum rates as at present.

In the general application of the price ceiling the government deserves the support of producer and consumer alike.

Similarly, when wartime demands slacken, the government should try to maintain price levels to prevent the spirit of depression. The role of government is much more than that of umpire between competing interests. Wise government policy is necessary to create the conditions in which maximum employment can be obtained. The basic welfare of labour depends on the welfare of Canada, on the trade of Canada. That in turn is affected by government policy and by the policies of other nations. The plain fact is that wages paid in Canada may be influenced as much by the situation outside Canada as by anything happening in Canada. For this reason employers and employees alike should take an active interest in Canada's external relations. Every Canadian would be working in his own and Canada's interest in striving for the kind of world in which we can sell abroad the products of Canadian hands and of Canadian mines and fields and forests.

### *Transition to Post-War*

The constitutional basis for the Dominion dealing with many labour matters, is the War Measures Act. Under the constitution the War Measures Act and the legislation founded on it will presumably cease to be operative at the end of the present emergency, creating confusion at the very moment when we shall need the maximum of order and efficiency to make the change-over from war to peace. We mention this here as something which should receive intensive consideration by all interested. Post-war labour relations and the change-over to post-war conditions relative to labour matters are two subjects that should be dealt with by the National Council on Labour Relations, proposed in this brief.

### *Social Welfare*

To advance the welfare of the people of Canada is the primary aim of our democracy. We want our people to be healthy, self-reliant and secure in productive employment. Canada will only reach her maximum



production and her maximum standard of living if the individual is assisted in overcoming handicaps due to ill health, inadequate education, sub-standard living conditions and uncertainty as to employment.

### *Responsibility of Industry*

In addition to the increased responsibility of the state for social welfare, we believe that industry itself should work out plans for the progressive improvement of the position of employees. All industries cannot proceed at the same pace. They should, however, with their capacities, aim at measures to supplement their own and any government program. They should give employees industrial training and the fullest opportunity to take positions of greater responsibility. In addition to a sound and balanced basic wage, employers should pay additional for exceptional industry, experience, skill or initiative. Plans should be worked out whereby employees share in the benefits of technological improvement.

### *Reconstruction*

Management and labour are concerned about what their position will be after the war. One way to reduce that concern is to work out plans for new and progressive measures of social welfare and by international and national action to bring about maximum employment, and to put the plans into effect at the earliest moment, if possible before the war is over.

Business must assume a definite responsibility for working out plans in accord with government policy to provide for a rehabilitation of the men and women who have fought for us in the services, and for the maximum production and maximum employment we believe to be possible. As Justice Brandeis said, "The one final way in which we can improve the conditions of the worker is to produce more, in order that there may be more to divide."

There is no room for pessimism; there is room, however, for determined action now to increase the unity of our country and the cohesiveness of our people so that we can take advantage of the opportunities that lie ahead.

The CHAIRMAN: Thank you very much.

Mr. L. R. JOHNSON (Member, Regional War Labour Board for Saskatchewan): In the absence of the chairman of the Saskatchewan Regional War Labour Board I have been asked to make a brief statement on his behalf, as follows:

On the whole the Saskatchewan Regional War Labour Board has functioned smoothly and comparatively few really contentious cases have come before it for consideration. This is accounted for by the fact that the Province of Saskatchewan is mainly engaged in agriculture and the number of larger industries within its borders is not large.

It is interesting to note, however, from the statistical report presented on Tuesday morning that the three Prairie Provinces are almost on a parity with each other, the showing in the number of cases handled being as follows:

Alberta . . . . .	1,364	or 6.4%	of the whole
Manitoba . . . . .	1,487	" 7.0%	"
Saskatchewan . . . . .	1,595	" 7.5%	"

Wages throughout the province undoubtedly became depressed in the drought period of 1931 to 1939, and for that reason our Board has

tended to be more liberal in its decisions than might otherwise have been the case, and on that account shows a lower ratio of denied applications than do the Boards of Ontario, Quebec and British Columbia.

We are, I believe, in what may be termed one of the lower wage localities in Canada. I believe we have a situation that is being treated with satisfaction to all concerned in the provisions of the order as now drafted.

One of the difficult questions the Board is called upon to decide is who is above the rank of foreman. It is not particularly difficult in regard to factories but when it comes to mercantile business it is extremely so. Some large concerns have maintained that men earning as high as \$6,000 a year are not above the rank of foreman. On the other hand some individuals earning just over \$2,100 are clearly above the rank of foreman. The question is not one that affects any large number of workers, but the Saskatchewan Board feels that the line of demarcation should be clear and for this purpose believes that all persons earning less than a specific amount should be subject to the provisions of P.C. 5963. It is suggested that all those earning less than \$4,000 per year should come under the Wages Order.

There is a conflict between the Minimum Wage law of the provinces and the federal wage control legislation. In effect the Minimum Wage legislation has been dormant since the passing of the federal orders in council dealing with wages. This is unfortunate for Saskatchewan where minimum wages during the depression were fixed very low. This Board feels that this should not be, and that provision might well be made for the operation of provincial minimum wage boards, the Regional War Boards to have the power of approving any orders made by the Minimum Wage Board. Objection might be made that this would lead to difficulty through conflict of authority, but in view of the close relationships existing between the federal and provincial labour departments it is felt that in practice no difficulty would arise.

Some criticism of the operation of the Regional Boards has developed which it is believed could be eliminated if all contentious cases were heard at public sitting at which all parties would be present throughout. When decisions are given those decisions should state fully the reasons therefor. This would eliminate suspicion that Boards are influenced by considerations other than the facts of the particular case and the rules applicable thereto. We believe too, that it is desirable that typical decisions of the various Boards should be circulated among the Boards so that there would be reasonable uniformity in the decisions of the Boards and those making applications would be properly informed as to the principles being followed in making decisions.

I might add that it is important we should receive decisions of the National Board where reasons are issued.

Mr. COHEN: Have you not been receiving them?

Mr. JOHNSON: Not to my knowledge. (Reads).

One of the most important phases of our national life at present is industrial relations and yet we have no courts charged with the duty of dealing with industrial disputes. Such courts are urgently required. The War Labour Boards are at present practically limited to determining questions relating to wages. There are many other questions as fruitful of industrial unrest as wages.

I am informed that all stoppages of work in Saskatchewan have been due to disputes on jurisdiction by the unions.

It is submitted that the Boards' field of action should be enlarged to include all industrial disputes or threatened industrial disputes. All such matters should come within the jurisdiction of the Boards whose responsibility it would be to deal with them as informally and speedily as possible with a right of appeal to the National War Labour Board.

Mr. ADAM BELL (Vice-Chairman, Regional War Labour Board for British Columbia): It is my privilege to submit a brief by the Regional War Labour Board of British Columbia, which is as follows:—

As requested, by the National War Labour Board, requesting the opinion of this Board on certain phases of labour policy, the following is respectfully submitted.

#### *Constitution of Regional Boards*

The present set-up of the B.C. Board has given general satisfaction to employers and employees.

Decisions made by the Board affecting labour relations, especially during the stress of war conditions cannot in all cases be expected to have the full support of employer and employee and it is our opinion, that the function of a Regional Board, within the limits of P.C. 5963, is to maintain harmonious relations between labour and employers, so that the maximum output of war supplies can be produced; and we believe the work of the Board has in a large measure resulted in a minimum amount of disturbance to the war effort in our province.

#### *Enforcement*

The matter of inspection should have the serious consideration of the National Board. It is our considered opinion that if enforcement is to be really effective, that a legal adviser should be retained in our province who can be immediately consulted on any case the Board feels should be prosecuted. The present system is unwieldly and cumbersome and takes too long before any decision is reached as to the prosecutor appointed. The delay between the time the infraction is discovered and actual prosecution should be eliminated. Quick action has a more salutary effect not only on the guilty party and public generally, but would clear the office files of unfinished business at a time when the administrative work is become increasingly heavy.

#### *Appeals*

P.C. 5963 having been amended to allow appeals, is, in the opinion of this Board, a step which will lead to difficulties and delay, as few decisions can be suitable to both parties, and as appeals can be made at little or no cost, it would seem obvious that the dissatisfied party will almost certainly appeal, having nothing to lose, but with the possibility of something to gain. In any case, clarification of procedure is desirable.

This Board has always expressed a willingness to reconsider any decision made, and has done so on many occasions, resulting in some cases in a change in the decision already given, because of new evidence submitted to, or uncovered by the Board.

Mr. COHEN: Perhaps what you have submitted overlooks the fact that these appeals are not a matter of right. It is assumed that the discretion placed with the Regional Board and the National Board will be exercised. You pose the question as if there was an absolute right of appeal, but there is no such thing.

Mr. BELL: It is an absolute right.

The CHAIRMAN: No, it is not.

Mr. BELL: But the privilege of granting or refusing the appeal rests with the Regional Board or the National Board.



Mr. COHEN: No, the decision as to the hearing of the appeal is left with us. We can grant or refuse a hearing of the appeal according to the circumstances.

Mr. BELL: If the Regional Board refuses, the appellant can appeal to the National Board.

Mr. COHEN: For the right to appeal, and he may be granted that right or not, according to the nature of the case.

Mr. BELL: To continue:

*Re Single Application within an Industry*

It is our opinion that instead of dealing only with individual applications as required by the Order, that if a Board was authorized to fix a maximum wage rate for an industry, or a ceiling for occupational classifications within an industry, based upon present wage rates, that many of the difficulties and unsettled conditions now prevailing would to a large extent be eliminated, as an increase in wage rates or a change in working conditions in one plant affects the working conditions in all other plants in the same industry.

We would, however, be pleased to submit our opinion on any other matters as requested by the National Board.

The CHAIRMAN: I am quite in accord with the general proposition contained in paragraph 4, but with war industry as operating to-day—in British Columbia you have the shipbuilding industry, and you have all sorts of people making component parts of one kind and another for ships—where are you going to draw the line as to what is within an industry and what is not? Down here you might speak in general terms of the aircraft industry, but if you go to examine into the aircraft operation you find in it an automotive concern such as General Motors, and I believe there is a piano factory which is doing that sort of thing. It is a little difficult to get any kind of rigid classification.

Mr. BELL: I may say that we had in mind the United States where the disease would be evident but the cure easier. In the saw-mill industry in British Columbia we thought it would be of mutual benefit to have the orders fixing certain rates for different occupational classifications applied within the whole saw-mill industry.

The CHAIRMAN: Would you not become involved even in that industry? Is not that part of the operation of the Pacific Mills, pulp and paper as well?

Mr. BELL: To some extent, yes; although they are cutting a certain amount of lumber for market purposes.

The CHAIRMAN: I merely suggest this to you. Where you get an operation like the Pacific Mills and include the saw-mill operation as one rate, then you have the pulp and paper operation, you have the timber operation, and so on. Would you not come to the point where such a scheme would tend to create difficulties right within that particular industry?

Mr. BELL: I would not think so. I can give you what perhaps is a more direct case, wherein we thought better results could be obtained by this method. We have a shingle industry comprising between thirty and forty mills, which is not a very big industry, but at least one that it is possible to deal with compactly as a whole. Prior to this order coming into effect their shingle sawing had been carried on by those mills in different ways at each mill. Each mill had a different price for their sawyers and packers. Some mills were paying so much a square for cutting shingles, and so much for packing. Some were paying so much a thousand, and some mills were paying so much a thousand or square and so much cost of living bonus. Others were paying higher basic rates and no bonus at all. We discerned in that a chaotic situation of pay

conditions within a small industry, and we conceived the idea that we could cure the situation if we could make them all alike. Where a man had a higher rate than his competitor, if we could pull that rate down and make the cost of living bonus the same, we could have them equalized. We appealed to the National Board for permission to do so and were refused.

The CHAIRMAN: You were caught there by the Order in Council prohibiting any reduction.

Mr. BELL: Quite true. In other words our answer from the Board was that we had put our finger on the only way it could be done, but the law refused to permit us to do it.

Speaking as Deputy Minister of Labour I would like to place something on the record with regard to our position as a province in relation to the matter of collective bargaining, conciliation and arbitration in industrial disputes. I have discerned as I have listened, or tried to listen, to the proceedings and the suggestions that have been made here, that from certain quarters proposals are being put forward that the legislation with regard to collective bargaining, conciliation and arbitration should be centralized in Ottawa and applicable throughout the whole of Canada. I wish to say on behalf of the Province of British Columbia that we are not in sympathy with such a suggestion, for the simple reason that we consider we have a very effective piece of legislation on our statute books for dealing with these subjects and would very much dislike to see it disturbed.

The CHAIRMAN: I suppose what you are really getting at is this, that if there is a collective bargaining act in a province, so far as the province is concerned, whatever machinery exists to take care of it could be utilized in respect of war industry even in an emergency?

Mr. BELL: Yes, although I would qualify it to this extent. We certainly would not think for one moment of saying that we are opposing anything being centralized during wartime for the purpose of the better transaction of Canada's war effort, but we hate to see anything done that would jeopardize the good effect of legislation we have placed on the statute books, even though in war time it is not being so extensively operated as it would be in peace time.

Mr. COHEN: You are obviously interested in the post-war period.

Mr. BELL: Quite so.

Mr. COHEN: Have you a copy of the recent amendments?

Mr. BELL: Yes, sir.

Mr. COHEN: Would you mind handing a copy of the British Columbia amendments to the secretary of the Board. Personally I should like to see them.

Mr. BELL: I shall be glad to do that.

Hon. L. D. CURRIE (Minister of Labour, Nova Scotia): Mr. Chairman, we have no prepared brief to submit to you, but we do not want you to think it is due to any failure on the part of the secretary of your Board, because we did get notice of this inquiry the same as the other Board received. At the time our chief executive officer was out of the city in connection with the work of the Board, and I was out of the city in connection with the work of my department.

The CHAIRMAN: You were probably in Cape Breton.

Mr. CURRIE: That is where I was, and I think you with your experience would know what took me there. We apologize for there being no brief to present, but if the Board would care to have one we shall be glad after we get home to prepare one and send it to you.

We think that by and large the work of the Board in Nova Scotia has been reasonably satisfactory. We have had a minimum of disturbances there. As a matter of fact during last year outside of the two and one-half day disturbance at the Trenton steel industries we did not have a major strike in Nova Scotia. On the mainland there was no disturbance except those two and one-half days, but in the coal industry the record has not been so good, and we do not say that because coal does not come under the jurisdiction of the Regional Board. From our experience during the time the Board has been functioning we feel that we ought to give our unqualified support to the policy of wage control and price fixing. I have some views which perhaps are not so rigid with regard to inflation; I am probably wrong, but right or wrong, we have had this policy in effect for some time and any disturbance of it would, I firmly believe, have very serious repercussions, not only upon the war effort at the moment and in the future, but also upon the general wage policy after the war. There have been certain maladjustments which we have endeavoured to work out and certain inequalities which we have endeavoured to adjust. Speaking generally we are unqualifiedly in favour of the retention of the present prices and wage control policy, saving such adjustments as may be made as the result of these hearings.

May I be permitted to say that through the whole of these proceedings I have listened with rapt attention, and I believe it has been the longest step forward in securing better feeling and a wider knowledge of the whole Canadian picture than has ever before been attempted. I believe out of the recommendations of this Board to the government the greatest good is going to come.

I listened with interest to the rather complete opinions with respect to collective bargaining. We are outside of the sphere of that discussion because in one form or another we have had collective bargaining in Nova Scotia for the last forty years. I think we have had it longer than any other province in the Dominion. It is indirect legislation through the Coal Mines Regulation Act which has been in use since the early days of this century, where it was recognized that the union had the right to check-off for union dues. If there was any doubt existing with respect to that, it was removed in 1918 by an amendment to the Coal Mines Regulation Act giving the union the right to have its check-off through the company office. That was confirmed in 1927 when we passed the Trade Union Act. In 1937 we endeavoured, with what effect some lawyers may perhaps doubt, to put that on a lawful basis in our Trade Union Act. We believe that in that Trade Union Act we have a good law, and our forty years' experience leads us to the conclusion that not only by law but by custom and practice, those who oppose the introduction of collective bargaining are making a mistake. I say that whether it refers to the government, or to employers, or to the employees. I believe that all bodies should long ago have recognized that the principle of collective bargaining works no hardship upon anybody.

We have not had one jurisdictional dispute in Nova Scotia at any time, because we have machinery available to all parties. I think if this had been available to all the provinces the recent trouble which has arisen in connection with labour disputes would not have occurred at all.

With respect to jurisdiction as between the Dominion and the provinces, I should like to say that while my own view is that there ought to be a much wider extension of the powers of the Dominion in the industrial relations field, and while I do not believe that this extension is going to work any hardship upon the provinces, or that the same effects will flow from this expansion in the field of labour as will flow in the field of finance, yet at the same time I would not like to see any policy adopted widening the powers of the Dominion Government unless their full consideration is given to it by the provincial governments and they have an opportunity of expressing their own views.



The reason why Nova Scotia has not formed an industrial court is the hope that out of this experience will come the realization that the dominion government must play a wider part in the sphere of industrial relations than has been the case heretofore, and the provinces should look with consideration and deep interest into the question whether it is wise or not on their part—and I think it would be—to abrogate some of the powers they now have and transfer them to the dominion government.

Mr. PYLE: Mr. McKinnon, the Chief Executive Officer of the Regional War Labour Board for Prince Edward Island, is unable to attend, and has asked that I read into the proceedings the brief for that Board:

The administration of P.C. 5963 of July 10th, 1942, governing wages and the cost of living bonus has been working very well in the province of Prince Edward Island and where the Board recognizes that anomalies exist, wage increases are granted provided no cost of production is increased and no pressure released against the prices ceiling.

From the administration of this Act, both with regard to the increasing of wage rates, where they are found to be low, and the cost of living bonus, much improvement has been brought about in the condition of the workers, and these have added to their content and brought about a more comfortable condition of living. The wage rates prevailing in this province are still low, when compared with the presently being paid wage rates of the other provinces, but it is hoped and expected that this meeting may evolve some plan whereby a uniform rate of pay for similar occupational classification in comparable services throughout the dominion, may be worked out.

Altogether our Regional Board is functioning well and where anomalies exist and infractions of the Act were pointed out, we have had full and, in most cases, immediate cooperation, and the irregularities promptly adjusted. We have found this spirit of cooperation to be prevalent throughout the province, and can truly say, the response given by employers to their employees for more generous treatment has been good and has been quickly rendered.

Any strikes we may have had have been of a very minor nature and were quickly arranged and settled between the parties concerned. The most harmonious relations exist between employer and employee, and there are no labour unions in existence here, nor any provincial labour laws embodied in the statute books, consequently, any agreement of employment is a matter of arrangement between employer and employee. There being no manufacturing industries of any great extent, the necessity of organizing labour for its own protection has not been developed; the principal employment being farming and fishing.

As conditions at present exist, however, these two industries have been denuded of their man-power support, and are now without an adequate supply of help to enable them to carry on their production even up to normal capacity. Many of the farms at the moment are untenanted, except for the presence of old men who have passed beyond seventy years and are now incapable of keeping up production alone, and for this reason, unless help is supplied, these farms will be out of production this year. The provincial government has set up a Farm Labour Board which is receiving many applications from farmers for help, who offer as wages, from \$30 to \$50 per month, with food and lodging, but the response is very small indeed. This condition has come about by the heavy enlistments, voluntarily, by our young people, who with the enlistments from Nova Scotia, have made the highest voluntary

contribution to the war services, with respect to percentage, of any military district in Canada. It is a glorious record; but it has left the farmers in a most unenviable position. Enlistments, however, have not been the only part that has led to this; men and women have left here because of the more attractive wage rates being offered for their skill in other parts, and our whole population has been greatly reduced since the last census was taken, and very many of those who have gone to seek work elsewhere, where better living conditions exist, will not return, as they have in many cases made new homes for themselves and will remain abroad. This is to be deplored. To alleviate this situation, we would suggest that a dominion bonus be paid direct to farm workers, as a supplement to the wages a farmer can afford, in order that he may be enabled to carry on. Most farmers here have, during recent years, been handicapped by debts contracted during the depression; by mortgages; lack of sufficient machinery and the increased cost of living. They are consequently unable to pay the high wage rates that are being paid by industry, and it would be unfair to expect competent labour to leave a good paying job and work for less money on a farm, even though they know that food production is essential to the successful carrying on of the war. The wage rates paid by farmers here before the war commenced was from \$15 to \$30, now they have doubled that, and as their production is pertinent to the successful carrying on of our war effort, we would like to direct our recommendation, with respect to the farm labourers bonuses, to the attention of the Minister of Labour, the Honourable Humphrey Mitchell.

Our Board has nothing further to lay before you, but we will listen with all interest to all suggestions for the improvement of any provision of P.C. 5963 which may prove of service and may be of benefit to all Canada.

Mr. PYLE: The Minister of Trade and Industry, and Chairman of the Regional War Labour Board for Alberta, Hon. Ernest Manning, sent a letter which I will read. It is dated May 1, 1943, and attached to it is another letter dated March 5, 1943:

Minister of Trade and Industry, Alberta.

Edmonton, May 1st.

I have received from Mr. R. H. Neilson, Chief Executive Officer of the National War Labour Board advice under date of the 17th instant of the forthcoming meetings of your Board starting at the beginning of next month, in which an invitation is extended to have representation at these meetings or to submit our views on the matters with which you will then be dealing.

I would advise that it will not be possible for the Alberta Government to be represented at these meetings, which from their nature and the important matters to be considered will of necessity be extended over a considerable period.

With regard to your desire to have our views on the matters under discussion, I would state that the position of the Alberta Government continues to be that expressed in my letter to the Honourable Humphrey Mitchell, Minister of Labour, under date of March 5th, 1943. I understand that these views have already been placed before your Board for consideration by the Minister of Labour, but the original has doubtless been returned to his office. I am enclosing herewith a copy for the purpose of officially recording with your Board the views and recommendations

of the Alberta government in respect to the Dominion War Labour Policy and Wage Control Order. I may say that the increasing tempo of labour unrest and the numerous complications and inevitable delays involved in the administration of the present order are daily adding to our conviction that the implementation of the recommendations contained in our submission are both necessary and urgent.

I trust sincerely that our representations will receive the favourable satisfaction with the Dominion Government's present war Labour policy matters.

Yours truly,

(Sgd.) ERNEST MANNING,  
*Minister of Trade and Industry.*

Alberta, March 5th, 1943.

The Honourable Humphrey Mitchell,  
Minister of Labour,  
Ottawa, Canada.

Dear Mr. Mitchell:

On behalf of the government of Alberta I wish to register our dissatisfaction with the Dominion Government's present war labour policy as manifest in the operation of National Selective Service, and as embodied in the Dominion Wage Control Order.

It is now almost three and a half years since Canada entered the present titanic struggle, and we are frankly alarmed by the fact that to date the National War Labour policy has proven hopelessly inadequate to mobilize effectively the manpower of Canada, or to secure the measure of close co-operation between industry and labour that is essential for an all-out war effort.

Furthermore, it has failed to provide the proper proportionate allocation of manpower necessary to maintain essential production in such fields as agriculture, mining, lumbering, etc., all of which are of paramount importance to the country at this critical time.

The reaction of the public, generally, to the present manpower policy, and the re-occurrence of serious labour disputes, even in essential war industries, confirms us in our conviction that the present policy is not only unsatisfactory, but is actually producing results detrimental to our national war effort, and to the best interests of Canada as a whole.

The basic principle underlying the Dominion Wage Control Order seems to be the fear of uncontrolled inflation. It is our honest conviction that the scientific control of the real dangers of inflation does not necessitate the establishment of an ever-expanding bureaucracy operating along the lines of irritating restrictions and prohibitions.

In analyzing some of the effects of the present policy we are forced to the conclusion that certain features of the Wage Control Order designed with the idea of curbing inflation are producing and will continue to produce results which are more detrimental than the dangers which they purport to remove.

For example, the Wage Control Order has worked, and still continues to work adversely and unfairly in the case of a large number of Canadian workers who, at the time the Order became effective, were subsisting on Minimum Wages rates. While the Order contains certain provisions for



adjusting wage schedules shown to be unduly low, these provisions are largely nullified by the general over-riding Federal policy of purposely restricting increases in wages because of the dominating fear of inflation. As a result, a large group of workers who are entitled to wage adjustment in the face of increased costs are barred from proper consideration and relief.

Another example that may be cited is the effect of the Wage Control Order on the inflow of new purchasing power through large scale American projects which are being undertaken in Canada. These projects in Alberta, alone, are of such magnitude as to place Canada in a position to benefit greatly from the foreign exchange brought in by American firms, to say nothing of the local benefits accruing from the tremendous increase in purchasing power resulting from wage disbursements.

We are convinced that these benefits, both locally and nationally, far outweigh the supposed inflationary dangers, yet in carrying out its duties in administering the Wage Control Order in accord with the federal policy, the Regional War Labour Board for Alberta is expected to restrict this inflow of new purchasing power and curtail the advantages of this additional foreign exchange. Such action is unjust to Canadian labour, is detrimental to the development of Canada as a whole, and of Alberta in particular, and is harmful to the energetic prosecution of the war.

Furthermore, the present policy places an unfair restriction on the employment of local labour. This is naturally regarded as discriminatory and, consequently, tends to produce serious dissatisfaction. Furthermore, it does not strengthen the harmonious relations that should prevail between Canadian and American workmen.

In view of the seriousness of these matters we consider it our duty to register our protest against the continuation of the present National War Labour policy, and to urge that the following steps be taken without delay for the purpose of remedying the very unsatisfactory situation that has developed:—

1. That all American projects in Canada related to the war effort be declared "National" employment, and that all arrangements as to labour connected therewith be worked out by mutual agreement between United States authorities and the Canadian Labour and State Departments with the understanding that such arrangements will not discriminate against Canadian workers.

This, we believe to be a practicable solution to the serious situation which has developed in this connection as a result of the present indefinite policy.

2. That the Dominion Wage Control Order be amended to exempt from its application:—

- (a) All workers with one or more dependents whose rate of income is not in excess of \$165 per month.
- (b) All workers with no dependents whose rate of income is not in excess of \$125 per month.

This amendment will remove much of the unwarranted hardship which the Wage Control Order now imposes on those whose standard of living is already unduly low, and who, therefore, should be the last group to have their earning power further restricted.

3. That the Dominion Wage Control Order be amended to exempt from its application:—

- (a) Minimum Wage Orders and Fair Wage Orders made pursuant to provincial legislation.
- (b) Industrial Standards Agreements approved pursuant to provincial legislation.

While this, in the main, would be accomplished by the amendment above requested, it is our contention that the Dominion Order should not be permitted to interfere with the recognized right of the provinces to establish wage rates under the above mentioned provincial legislation.

Despite our disagreement with many of the features embodied in the Dominion Wage Control Order, I think you will agree we have given your department our wholehearted cooperation in its administration in Alberta. We do feel, however, that we have a right to expect that due consideration will be given to our views in this matter if we are to carry on successfully the work of the Regional War Labour Board in this province.

Yours very truly,

*Minister of Trade and Industry.*

HON. PETER HEENAN (Minister of Labour for Ontario; Chairman, Ontario Regional War Labour Board): Mr. Chairman, I crave your indulgence for a minute or two; I think the Ontario Board should put themselves on record, although we have no brief prepared. We came over here more to learn than to teach anyone. We are just plodding along doing the best we can to carry out the federal government policy.

The question came up yesterday with respect to permanent boards, especially in Ontario and Quebec. Inasmuch as we had a few of our members here I consulted with them, and they thought we should put ourselves on record and say we are not very much enamoured with the establishment of permanent boards. We feel that we can get along on two days a week, as we have been doing. Sometimes we extend to three days when we get cluttered up with work. What we do need more than anything else, and we are appealing to your Board to help us—I think I have appealed to everybody else except the King of England in that regard—is more assistance in the way of staff. We think in the matter of getting staff, at least for the Ontario Board, there is too much red tape. We are short staffed and the provincial public services are used practically all the time in assisting us, while we still argue over here about the manner in which appointments are made. We think we should have dominion staff to help us, but we do not get them and consequently there are delays in gathering statistics. Finally when the Board gives a decision there has to be further delay in getting it out. It is hampering us greatly. When there is a vacancy and you ask for staff, surely three months is ample time within which to get that vacancy filled, or even if they could fill it in two and one-half months we would not kick so much about it. I often wonder over here with all their red tape whether they even know there is a war on. Hitler could walk from one coast to another before they could get an appointment to alter the situation.

We did secure one person on the staff who was eminently qualified for the position; he passed all the examinations, and then they found that he had not lived in Toronto for a year. All the other boards are hiring them from all over the country, but when it comes to the Department of Labour if they have not resided in the place for a year they are not entitled to be on the staff.

The CHAIRMAN: I take it you must have come up against the strongest union in the country, the Civil Service Commission.

Mr. HEENAN: I do not know about that, but if you can push those things aside we can get along better than we are doing now. I doubt very much if we could retain the present members of the Board if it were made permanent. I do not want to see that family broken up. We may handle things a little differently, I know. We give a decision and then look in the four corners of the order to see if we can find an excuse for doing it, but we are getting along fairly well.

That was all I had intended to say, but while I am here I might as well say something about another question that came up—the causes of unrest. I suppose I could stay here and you could sit here for a good many years, and you would hear a great many things, but I cannot find in my experience the actual cause of unrest. When you find a subject to work on, to just put your finger on what caused that trouble is hard. In a good many strikes and disturbances I find it is an accumulation of grievances that has grown up. Then one spark comes along and that is the issue, while really at the bottom it is not the issue. It is a multitude of grievances growing up that have not been attended to. Very often it is in the method of handling grievances, because the management would not recognize the grievance committee, or did not want to recognize the union, or did not want collective bargaining. It goes on from one to the other and finally something happens and you have to go and search out what the real grievance is. You cannot tell which of the grievances really caused the trouble. In my experience the recognition of unions and the recognition of the committee on collective bargaining has been at the root of it all. When we talk to the management about it they generally tell us they are in favour of a collective agreement but they do not want to be forced in to it. They do not want any conciliation officer coming in and telling them what to do. That is the manner in which they talk about collective bargaining, but they never put it into effect. One would think that after twenty-four years they would have had ample time to think it over, but they are getting nearly as slow as the civil service here.

After the last war you will recall that in the Treaty of Versailles, which was signed by the then Prime Minister of this country, there was article 13, which provided for the freedom of association of the workers. The workers of the country thought they had something, because the Prime Minister and the government of this country signed it and accepted it. I thought that when the head of a government signed a treaty it applied to all persons, but it appears it is only accepted by those who wish to accept it in this country. Even newspaper editors have questioned whether Sir Robert Borden was representing them or not. We have had that mess from the beginning, and now we have the two major political parties, and there is a third one now, incorporating in their platform freedom of association and collective bargaining. They are giving it lip service as they have for twenty-four years, and still there is nothing done. The federal government passed it on to the provinces, and they washed their hands of it and passed it back to the federal government, saying it is an international treaty and they have nothing to do with it. Finally it has been decided, by the Justice Department, I understand, that it is a provincial matter, and now practically all the provinces have legislated one way or another and have it on the statute books to suit themselves.

We do not think the provinces can legislate for collective bargaining when dealing with the federal government for manufacturing under dominion contracts. I think this is a problem you will have to deal with. You will have to make this provincial legislation apply to your dominion contracts. I do not mean because I say so, but I advise you when recommending an Order in Council to make the provincial statutes applicable to all, or pass an Order in Council under the War Measures Act so that there will be no further question about it. The words "collective bargaining" have been ringing in my ears, because I went



through the pains, shall I say, of the last six months, I even have in my office, and they have before members of the Cabinet, those who say they are in favour of collective bargaining and who go out and pay newspapers for four page advertisements, trying to scare the people of the country into believing that if they do not accept collective bargaining, terrible things will happen. I found some organizations representing employers or who claim they represent employers; sometimes it would be a good thing to take a vote and see whether some of these organizations really represent the employers or not—

The CHAIRMAN: There may be a jurisdictional dispute?

Mr. HEENAN: Yes, there may be even amongst the employers. I think we should go the whole hog. I had the honour of moving a resolution before the National and Regional Boards, which was seconded by my honourable friend, Mr. Currie, from Nova Scotia. I brought a copy of it here thinking that you might do something about it—I do not mean to accept it in its exact words, but the principle as laid down. I do not know what became of the last one, but I am going to leave this one on record for you at any rate. I have often found if you do not first succeed, try again. It reads well:

Resolution proposed by Hon. Peter Heenan, August 14, 1942.

Whereas by P.C. 2685 dated June 19, 1940, His Excellency the Governor General in Council was pleased to establish certain principles for the avoidance of labour unrest during the war;

And whereas by section 4 (2) of P.C. 5963, the National War Labour Board is authorized to investigate wage conditions and labour relations in Canada and from time to time make such recommendations as it may deem necessary in connection therewith, having regard to the principles enunciated in P.C. 2685;

And whereas in the opinion of this Conference some employers and employees throughout the Dominion of Canada have not seen fit to accept the principles established by P.C. 2685, and it is therefore necessary to empower the National War Labour Board and the various Regional Boards to take appropriate action in order to compel the acceptance of the said principles,

Therefore be it resolved that this Conference is of the opinion that the National Board should request the Governor General in Council to enact pursuant to the War Measures Act an Order in Council which;

(1) would declare that employers or associations of employers and employees or associations of employees which refuse to accept the principles expressed and enunciated in P.C. 2685, are acting contrary to the public policy of the Dominion of Canada and in a manner which is likely to impede the war effort.

(2) would authorize the National War Labour Board with respect to national employers, and the Regional Boards with respect to Regional employers within the respective jurisdiction of each such Board to direct any employer or association of employers and any employee or association of employees to do any act to promote or to refrain from doing any act which is contrary to the public policy of Canada as so declared.

(3) and in particular the Boards be authorized to direct the parties in a particular industrial dispute to enter into negotiations and may compel the parties concerned to formally recognize any trade union, association of employees or committee of employees which such Board may find to be the proper bargaining representatives of any particular group of employees, and provide proper penalties for violations.

I wish you would give that a little more attention than it was given the last time we were here.

Mr. COHEN: Was it adopted?

Mr. HEENAN: Not at that particular meeting. There were some who thought it might be bothersome asking the government to trespass on provincial rights. Some thought they had not the authority to vote for it. Then it was decided to leave it in the hands of the National Board to take up with the government in any way they thought fit, without the necessity of a vote. Whether it was ever taken up I do not know. So we were left just as we were, except that practically all the provinces now have legislation. I say to trade unionism: try to find some good methods of seeing, when you are dealing with national contracts, why they should not have provincial laws embodied in them.

If I were to give you a piece of advice based on my experience, I would implore the federal government to put delay in accepting collective bargaining out of the question once and for all in Canada. To those who ask you for further delay, tell them they have had at least twenty-four years to think it over.

Then I would say something to my labour friends. They have to take some responsibility when they get these orders in council, and while I agree that there is a lot of newness and inexperience in some labour organizations, yet I think they should come to the conclusion that when they make an agreement, they themselves will have to take the necessary measures for discipline amongst their own members, and should not invite anybody else to do it for them. There is no labour organization I know of that believes its members can down tools any time they like because they have a sore thumb, or because the boss does not part his hair right. I think they have to take some responsibility so that when they have a contract they must maintain it.

I would hate to lecture labour alone without saying something about the managerial staff. The sooner they get it out of their mind that this is their factory, that they are working for somebody outside of this country, that they own it, and that the people employed there are just so many machines instead of human beings, the better. The more we educate men to be carpenters and mechanics and put them into the factory the better off we shall be. The men in the factories are doing good work, notwithstanding a few strikes here and there. That number is small compared with the number of grievances. We seem to leave it to the managerial staff to put anybody in a position of supervision. A man may be a good mechanic and yet not be trained to handle human beings. We have far too much of this talking to men as if they were machinery. That is a grievance, especially at a time when everybody is working hard trying to do his bit. There should be some school where a man who is promoted to supervise other men can go and learn that he is dealing with human beings. They teach a policeman how to arrest a drunk—not in Ottawa, of course; that is only in Toronto—but I am not fooling when I say this is absolutely necessary; I have found that out through my experience.

Reference was made yesterday from Kenora to the manner of dealing with strikes as between the federal and provincial governments. Since the war broke out we do not see any difference. We do not look for authority from Ottawa to do anything, and they do not. We get men on the job and try to iron it out, whether they are provincial or federal. We have only been challenged by one person so far as the authority to deal in this kind of thing. It just goes to show that when there is one arrogant person who questions the authority in a country, you have to have a method of dealing with it. It is too bad they do not send it over and have the King of England sign the order before you open the gates and permit a man to go to work.



All these things are grievances. You must say to the managers just the same as you say to the workmen, that we have a war on, that all are supposed to be working for victory, and that if he does anything to stop the work he is just as guilty as the man who downs tools without any provocation.

I think I have said enough, because if I say any more I am likely to make a speech. But I would implore you to think that over and see if it is necessary to implement what we have done in the province, and above all if you want us to carry on the work in Ontario try and hurry somebody along here and give us some staff to do it with.

Mr. THOMAS A. SUTTON (Ex-Servicemen's and Servicemen's Dependents' League): Mr. Chairman, this is an organization which is connected with the Canadian Legion, and I am a member of the Canadian Legion; but as is stated in the brief I cannot seek to represent the Legion, neither can I represent another organization of which I am secretary. We are faced with a situation whereby 700,000 men are not allowed to organize, and we realize the necessity for our not being allowed to organize in war time. We would not want to sabotage the war effort by insisting on organizing.

Mr. COHEN: You mention here "Service men and their dependents"; I did not know what the organization was.

The CHAIRMAN: I am an ex-service man myself, and I did not know what it was.

Mr. SUTTON: It is much in the position of the C.I.O. when it started. There were three men. It is more or less a token group to be used as a mouthpiece, because it is impractical and impossible to speak on behalf of the regular organization. Is that fair enough?

The brief is as follows:

In presenting this brief for the attention and consideration of this wage conference, the Ex-Servicemen's and Servicemen's Dependents League respectfully claims admittance of status equal to that of the Congress of Industrial Organization, in that it is a similar minority group, and likewise can substantiate no claim that it represents other than a minority portion of those whose interests it seeks to further and protect.

The presenter of this brief makes these representations for and on behalf of the Ex-Servicemen's and Servicemen's Dependents League with the instruction and authority of the members thereof. The said presenter, although a member of the Sault Ste. Marie, Branch No. 25, Canadian Legion, in no manner claims to represent the Canadian Legion.

The admittance and recognition of the following basic factors are hereby requested:

1. That increases in wages do increase the cost of living.

I was impressed yesterday by Mr. Mosher's statement that the cost of labour is comparatively unimportant to the cost price of anything. In fact he brushed it off very easily. He said that many things entered into the cost price such as raw material, transportation and such things, and merely scratched the surface of the picture we have been obtaining to-day. He also drew your attention to the steel industry in the United States. He said they granted a wage increase to them and it did not increase the cost of steel. They are now faced with the situation where there are further demands that enter in the cost of steel and while there is one vicious cycle of inflation there is another vicious cycle of wage increases. Now the coal mining group is demanding a wage increase. These groups are closely allied; they want an increase when a comparable trade is granted one. So now there is a secondary factor to the wage increase in the steel industry; the coal mining industry demands one. Then we have to go farther into that. When these two have increases, I think we will find that the



railroad man will also be wanting his increase, so we are building up something where Mr. Mosher is far wrong in saying that wages do not enter into the price. Possibly they may not on the surface, but everything in the wide world influences price—transportation, production, and everything like that. That is why as an advocate of unionism I say that labour is the foundation of everything.

Mr. Mosher made another statement that I cannot possibly pass by, that increased wages would be balanced by increased productivity. I think that was an exceptionally grave statement to make, whether it was false or whether it was true. If the statement he made is untrue then decidedly it is a slur on the workers. If it is a true statement then Mr. Mosher is saying that the workers of Canada are not producing to the limit of their capacity, and that is even graver. I cannot accept that statement.

Mr. Mosher also made the statement that bringing up wages is not going to hurt one group more than another. I think he missed a word out there. I think what he should have said was that it is not going to hurt one labour group more than another, and that is a very different matter, particularly so far as the group I represent is concerned. So that in this brief the statement is made that increases in wages do increase the cost of living. (Reads):

2nd. That the consequent increase in the cost of living causes hardship and suffering to servicemen's dependents and to pensioned veterans.

3rd. That increased wages to those now employed in Canada will jeopardize the re-establishment and rehabilitation after the war of those who are serving in the armed forces.

Dealing with Items Nos. 1 and 2, it is axiomatic that an increase in the cost of production will increase the cost of the articles produced, and soldiers dependents and veteran pensioners, in common with all receiving low, fixed incomes, will lose to the recipients of wage increases part of their food, clothing, shelter, etcetera.

I would like to digress again to another statement that Mr. Mosher made. He said that prices of goods are affected by demand rather than cost. I think that he missed out another word; I think they are affected by supply and demand and cost. And there the matter of supply brings up a further question, that these wage earners getting increases would be able to stock up on commodities that were in the market. That is not a matter of supply but one of demand. We know to-day that money value has greatly increased and that many consumer goods have disappeared. There is the point where those on low fixed wages are concerned, old age pensioners or soldiers' dependents on a low income, and who are left out in the cold. In the case of housing there may be a rent ceiling, yet when it is traced down to a basic factor, soldiers' wives are out on the streets because they cannot compete in the money market. Not all the houses were frozen. There were those who took advantage before the freezing of rents to raise their prices. That is where the soldier's wife is out again. (Reading):

Prior to the era of mass production, workers had organized in unions according to their trades. With the introduction of modern producing methods, advocates of industrial unionism established themselves on the basis of claim that trades unionism was unfair in that it discriminated against those unable to organize.

The Congress of Industrial Organization is therefore expected to realize that their precept of yesterday must be their example of to-day. In the great workshop for victory, workers and servicemen labour in a common cause; but the servicemen cannot organize, while the worker can. This right of the worker to organize is maintained by one thing only: the lifeblood of our fighting men who of necessity are denied that privilege. Then for the sake of common decency the worker is asked not to prostitute

his right by preying on helpless women and children whose protectors have gone to fight our battles; and that is what the forcing of higher wage rates amounts to.

The present situation of the servicemen's families and pensioned war veterans may thus be briefly summarized. Pay, allowances, and pensions were set at the outbreak of hostilities in the amounts that placed these groups in the low income category, the income provided furnishing no more than the necessities of life at the price of goods and services then obtaining. The cost of living increased under the urgent buying demand consequent to higher wage rates in industry and broadened employment. Action was then taken to peg wages and prices, and allowances to servicemen's dependents were raised to more or less conform with the increased cost of living.

I think I might have said that it is mostly in the lesser manner that it conforms to the cost of living.

Since that time consistent agitation by labour organizers has secured many wage increases and the cost of living has again increased, the cost of living index notwithstanding.

I am quite conversant with many wage increases that have been obtained during the course of the present war.

as this index subsidizes one pocket at another pocket's expense, plus added overhead.

I may say I am quite in accord with the contention Mr. Ward placed before the conference yesterday in his remarks on that matter.

Servicemen's dependents, therefore, again find themselves handicapped in the bid for goods and services, and are suffering extreme mental anguish additional to privation as an end result of the selfishness and greed of those workers who refused to accept the condition of stabilized wages and prices. It is not the desire of the servicemen's dependents to organize as another pressure group and indulge in a race of higher allowances after higher prices, but definite concern is felt over the value of allowances in terms of goods and services. The necessity of a diminished output of consumer goods is accepted, and in plain words this means a lower standard of living for Canada as a whole during war time. In still plainer words, the labour group or any other group can take notice that the reduced standard of living must apply in an equal manner to all groups and that their attempts to take the bread of war widows and fatherless children can no longer be tolerated.

The effect of unproportionate wages on the servicemen's post-war status must also be considered. High wages to workers will result in the establishment of this group in well furnished homes, of the better type, and the servicemen's financial inability to secure similar surroundings will relegate him to a lower social status. Workers in general, obtaining high wages, are building up a backlog of government bonds and this the serviceman can do only to a limited extent, if at all. Under this condition, it is obvious that the serviceman will be able to establish himself in business on an equal footing with the man who stayed at home.

The servicemen are also handicapped in providing educational opportunities for their sons and daughters equivalent to those available in high wage homes. It is impossible in the majority of cases to continue educational courses for sons after the age of sixteen and daughters after seventeen, as the service allowance then ceases. This will practically prohibit servicemen's children from qualifying for worth-while positions. Thus the end result of a system of high wages to Canadian workers will be the establishment of this class in a comparatively high economic

strata, and the relegating of servicemen to a low strata. Furthermore, if, under the impetus of higher wages obtained, the union organizers take the next step and obtain a general application of the closed shop, the serviceman on his return would face an almost insurmountable barrier in seeking employment. The spectacle of a war veteran grovelling at the feet of a stay-at-home union organizer and begging him for the right to work is not a pretty picture to paint, but unless the Board is willing to remove the prospective cause now it must in the future be prepared to carry the responsibility for the effect.

The Board is therefore respectfully but most urgently requested to immediately adopt the following procedures:

- 1st. Prohibit any further wage increases whatsoever, removing unjust inequalities in wages by a scale-down from upper brackets.
- 2nd. Prohibit the establishment of closed shops, and legislate for their complete abolition as of the last day of hostilities.

#### *Suggested Trend and Scope of Inquiry*

In regard to the suggested trend and scope of inquiry as outlined by the Board at the preliminary sessions, the main characteristic would appear to be a dangerous tendency to confine the proceedings and findings to two groups:—industry and labour. Servicemen and dependents, farmers, and citizens not included in the four mentioned classes are all vitally affected by the findings and recommendations of the Board, but on the surface it is not readily apparent that the Board has made exhaustive efforts to secure participation in the conference by all classes.

In so far as the Board itself is concerned, it apparently consists of a representative for industry and one for labour, with a neutral chairman. Both of the groups directly represented are numerically smaller than the three groups without direct representation. The suggestion is therefore made that the Board be enlarged to include representation by soldiers and dependents, farmers and the unattached citizens, and that the Board should recommend a similar representation on the Wartime Prices and Trade Board, the need for perfect balance and co-ordination between the two Boards being obvious.

I may say at this point that we are not enamoured of the reason for the Board's existence. We have to take the attitude that it tends to the establishment of a class and of rule by a class. We make a recommendation that this Board be enlarged, in the view that it is an accepted fact, to include all classes. However, we feel that we have in our federal government representatives of every class, labour, farmers and everyone, and why the federal government itself cannot straighten out and deal with these matters is something more than we can understand. It is their responsibility.

Dealing with the specific questions asked by the Board, (a) and (c) in the field of labour relations may be dealt with as one. The attitude is taken that the underlying cause of strikes and lockouts is a matter of morale; that the workers have allowed their love of country and their fellow man to be overcome by selfishness. This raises a further question, What has caused normally good Canadians to adopt such a distorted attitude?, and the answer to this may readily be found in the consistent agitation of the workers by a political group using Townsend-Long-Aberhart tactics for their own political advancement.



I may say in connection with that matter that there is contained in the brief presented this morning by the Canadian Manufacturers' Association the statement that certain union representatives are seeking increased power, including the political power that may pertain to the organizations themselves.

In order that the Board may be fully informed in this matter, it is recommended that:—

- (a) The Board review specific proposals made to unions during negotiations re the unions joining a political party or parties.

I do not suppose the unions would have any objection to filing their correspondence with the Board on this matter. I do not suppose they have anything to hide, but there may be a dangerous tendency underlying it. If I assume that among 3,000 steel workers in the Sault they received less votes than probably the political party representing the people of the Sault, I would feel we were getting dangerously near to fascism. I would feel that the workers of Canada are being misled.

It is further recommended that:—

- (b) Union organizers not presently employed by and not having in the past been employed by a specific company be prohibited from activating themselves among the employees of the said company.

Dealing with (b), no reason could be entertained for abrogating the post-war liberty of 700,000 men who are not allowed to protect against such action.

I would say on this paragraph that I should get the strongest support from the bartenders' union, because that goes back to the argument they used against prohibition during the last war. I think that union at least would say that 700,000 men should have an opportunity to vote on something concerning their welfare.

With regards to wages, bonus, etcetera:—

- (c) It would appear that all efforts to equalize the sharing of consumer goods should be made, and any increase in the bonus to those who without such increase are receiving wages sufficient to supply themselves with their fair proportion of goods and services should not be given.

In relation to that you will realize that we are considering money as secondary, and that we can only talk in terms of goods and services.

- (d) The rate presently paid to pensioned veterans might well be taken taken as a floor in this instance, as anything below this level may not furnish the sustenance necessary to properly participate in the war effort.
- (e) and (f) In all zones it may be assumed that veterans pensions constitute at least a "living wage" and what is good enough for those veterans could definitely be considered sufficient for those who live in safety as a result of the sacrifices made by the veterans.

The CHAIRMAN: The general inquiry will now adjourn until next Thursday, May 13, at 10.30 a.m. On Tuesday, May 11, there is a hearing in connection with the Montreal Tramway Company, and on Wednesday the 12th in connection with the Port Arthur Shipping Company, and the Ottawa Electric Railway; so that this inquiry will resume on the thirteenth.

The hearing was thereupon adjourned until May 13.

THURSDAY, May 13, 1943.

Pursuant to adjournment the hearing was resumed at 10.50 a.m.

The CHAIRMAN: The first brief to be presented to-day is that of the *Canadian Tribune*. Mr. Morris, will you proceed?

Mr. MORRIS: Mr. Chairman, our brief is quite lengthy.

*Memorandum to the National War Labour Board in Behalf of  
The Canadian Tribune*

In behalf of the *Canadian Tribune*, I welcome this opportunity to appear before you and to congratulate the Board on its decision to hold these democratic hearings. Permit me to explain the reason why we, a labour newspaper, come here to present our views. The *Canadian Tribune* is a weekly newspaper devoted to the interests of the Canadian labour movement. It has no sectarian purpose, but honestly endeavours to present the views and news of labour in Canada. Especially is this so at the present moment when our country is engaged in a war for its very existence against the Hitlerite menace of world domination.

The *Canadian Tribune* has a total war program. It is, to fight for the utmost national unity, to achieve the maximum mobilization of all our physical and human resources for victory. It believes that there is plenty of room for the utmost co-operation of all groups and classes in Canada in this people's war for victory over the Axis.

As a labour newspaper, it is especially devoted to the problems of working people, who, with their families, make up a majority of the Canadian population. Labour's firm adherence to the cause of the war is without question. What is in question, at this public inquiry, is the way in which their adherence can be facilitated by government policies which, while safeguarding the supreme interests of the nation at war, nevertheless endeavours to fuse justice to labour with the national interest. It is our firm belief that this can be done in such a way as to increase war production, decrease civil strife and strengthen national unity for victory.

Our paper's paid circulation, which is at the moment frozen by virtue of wartime newsprint rationing, is about 23,000. It is a national circulation. However, its qualitative circulation is much larger than that. It is not an exaggeration to say that more than 100,000 Canadian workers and members of their families read the *Tribune*; a greater number is influenced by it. Our paper's readers are concentrated in war industry. Many of them are trade union officials in all sections of the trade union movement. Unofficially, it speaks for trade union labour in Canada.

Our correspondents in every Canadian city and town are people in the labour movement, workers in war industry. We have no paid staff of journalists. Our editorial staff is composed only of four people who depend completely on the news which comes straight from the factory, mine, shop, shipyard and union hall. Consequently, the information which I am about to read is the product of the writings of workers themselves, and bears the authenticity which comes from actual participation in events, and not merely from the recording of happenings. Not only do trade union and unorganized war workers supply our news, but they maintain our paper financially.

Although we are engaged in reporting and advising the labour movement in the most dramatic period of its growth and creative achievement (a period which also produced this public inquiry of the National War Labour Board) and although straight talking is the rule for our paper in

such a period and in such a movement, it is only right to record that the facts which we have published year by year never yet have been challenged successfully either by employer or worker.

In considering what we could do to help the work of the Board we thought that, more than anything else, we could bring to your attention a brief record of events in the labour movement over the past period, with the following in mind:

1. To point out by concrete example the main features of the trade union memoranda already presented here.

2. To give, by example, a picture of the scene in Canada at war as it appears to the vast majority of working class people, and especially as it bears upon the questions asked by the Chairman of the Board when he announced these hearings.

Naturally, we can quote only one or two examples touching upon each major requirement. We do not want to present a program; that is the special task of labour organizations. But we do feel that the informative nature of our memorandum will assist the Board in its work.

Let us commence with a labour dispute which stands out in Canadian wartime history, the Kirkland Lake strike of 1942.

The strike of 4,000 Kirkland Lake gold miners during the winter of 1941-1942 was really the first great dispute to reveal clearly many of the serious shortcomings of our federal wartime labour policy. These shortcomings were in fact pointed out before the strike, by the report of a conciliation board set up to deal with the dispute, headed by Mr. Justice Charles McTague.

The McTague Conciliation Board declared in its report in October, 1941, with regard to the Mine, Mill and Smelter Workers' request for collective bargaining with the mine operators:

"In this particular matter (the right of the workers to bargain collectively with their employers through a union of their own free choice) the Board was denied, on account of the course followed by the mine operators, any opportunity to conciliate the differences between the parties at all. At a comparatively early stage in the proceedings counsel for the mine operators informed the Board that his clients were unalterably opposed to recognizing the union and wished to withdraw from any further participation in the proceedings.

"Manifestly, the use of such a technique makes completely futile the appointment of conciliation boards to deal with questions of recognition. There would seem to be little doubt in this particular case that what was done was purely a technique, because in the last analysis the report of a conciliation board is not binding and need not be accepted by either party in an industrial dispute.

"As a matter of fact, it is more than doubtful that the question of union recognition falls within the purview of the Industrial Disputes Investigation Act at all. The employment of such technique, together with the doubt as to jurisdiction under the Act, would seem to leave the broad question of collective bargaining to be dealt with by parliament or cabinet council rather than by the old process of conciliation boards under the Industrial Disputes Investigation Act.

"In the circumstances here we feel there is no other course to follow but to recommend that the union in question should receive recognition as bargaining agent. We are under no illusion that the recommendation is likely to be more than a mere formality."



Thus the McTague report made these important points, among others:

1. The main issue of the Kirkland Lake dispute, the right to bargain collectively with the employer does not appear to be "within the purview of the Industrial Disputes Investigation Act."

2. Governmental action was required on "the broad question of collective bargaining."

3. In the circumstances, regardless of the recommendation of the Board, the mine operators could do as they pleased.

These basic weaknesses have marked numerous disputes since the Kirkland Lake strike and have not yet been remedied. No doubt an appreciation of this fact was contained in the statement of the Chairman of the National War Labour Board on the occasion of its recent reconstitution, and in the decision to hold this important inquiry.

The mine operators at Kirkland Lake defied the recommendations of the conciliation board. They refused point-blank to deal with the union endorsed by a majority of their employees. They deliberately violated all the governmental recommendations expressed in P.C. 2685. Yet they were able to do so with impunity. There was no governmental machinery to avert the catastrophe brought on by their arbitrary attitude, no legislation or labour code to prevent a situation which, if not for the restraint of organized labour in the war emergency, might have disrupted the major part of Canadian industry. There still is no such machinery or comprehensive code, and the stories that constantly come to the *Tribune's* office show that the same lack of government legislative machinery on the one hand, and the stubborn attitude of certain employers on the other, has time and again led to an impasse in industrial relations, to needless wrangling and disunity, to protracted disputes that diverted attention from the main job in hand—co-operation for greater production to defeat the common enemy.

Our reports on the Kirkland Lake strike, together with the McTague report of October, 1941, indicate a number of the basic problems that have remained unsolved ever since and should commend themselves to the attention of this inquiry. It is an undeniable fact that the recommendation of Mr. McTague at that time, that "the broad question of collective bargaining" should "be dealt with by parliament or cabinet council", has not been implemented to this day. We intend to give some highlights of the disastrous results attending failure to grapple squarely with this fundamental issue up to now by the federal government.

The gold miners' strike itself can be taken as a vivid example. It was the first major crisis in Canadian wartime labour relations. It is especially worth attention because, as has been said, the basic factors that caused it have remained to handicap harmonious industrial relations such as are urgently required for prosecution of the war. The Kirkland Lake strike was also marked by the government's refusal or failure to intervene at every stage either to avert the strike, or, once it began, to take the necessary steps to bring it to an end as speedily as possible.

In early December 1941, a conference of 13 important unions at Kirkland Lake sent a request to the Prime Minister "to initiate such steps as may be necessary to procure a proper settlement of the strike issue."

Mr. COHEN: Was the strike then in progress?

Mr. MORRIS: No, this was before the strike.

The conference was prepared to send a delegation to Ottawa immediately to help work out a solution. It received no satisfaction. Prime Minister King replied after some delay that he "had come to the conclusion that without mutual agreement by the parties to the dispute further intervention by the government could be of little avail at the present time by way of settling existing differences."

Mr. COHEN: For the purpose of the record, I would say I am inclined to think that by early December 1941, at least at the time of this conference to which you refer, the strike was already in progress.

Mr. MORRIS: Probably it was. I may have misquoted that.

Such an attitude on the part of the government marked the whole course of the strike. As in other phases of government labour policy, the attitude it reflected has since begun to change, where it has changed, slowly and piecemeal, only under the terrific pressure from, and as a result of persistent demands by the workers of Canada.

It is worth noting that the initiative for the settlement of the strike, as in so many other cases, came from the miners' union. In order to prevent an extension of the conflict, and pointing to the fact that "further intensification of the strike constitutes a grievous threat to national effort and national solidarity . . ." the Mine, Mill and Smelter Workers proposed the resumption of work in the interests of national unity.

And at this point it should be said, that the general strike sentiment that was fed at the time by the government's policy did not express itself in further industrial upheavals solely because of the discipline of the gold miners and their fellow trade unions in many parts of the country.

But again labour was infuriated by the reception the gold miners' proposals for resumption of work received. The union asked only that Ottawa guarantee that there would be no discrimination or violation of seniority rights when the men went back to their jobs. The government made no such commitment. A wire to the Prime Minister stating the union's readiness to resume work on this guarantee merely brought a reply from a secretary containing the offhand statement that the wire had been turned over to the Department of Labour.

This attitude of the government brought disastrous results. When the men returned to work they found themselves the victims of wholesale discrimination. William Simpson, secretary of the union local, with a record of twelve years' service in the mines, was fired. At the Tech Hughes mines, the Tribune reported on February 21, 1942, all strikers were refused re-employment. In six mines, the union charged in a wire to Labour Minister Mitchell, discrimination was rife. All union executive members had not yet been permitted to return to work, although they all had service records of from eight to fifteen years. By March 7th, the union reported, only one-quarter of the strikers had been re-hired. One thousand able-bodied miners were still locked out the following week.

We would like to touch on one further aspect of the Kirkland Lake strike. It is the contradictory attitude and policy which we submit has not yet been corrected by the Department of Labour; an attitude and policy that during the strike, and after, brought confusion, dismay and anger into the ranks of the workers.

When the strike broke out—in the face of the mine operators' obstinacy and inadequate government policies—a cry arose that gold mining was an essential war industry, that a stoppage in the gold mines

would destroy the very foundations of our foreign exchange, etc. The Mine, Mill and Smelter Workers' Union therefore sent an official communication to the federal government asking for a ruling as to whether the mining of gold was or was not essential to prosecution of the war.

If it was essential, the union told the government, then it was obvious that the situation demanded immediate federal intervention to bring about a resumption of operations with the utmost speed. If it was not essential, the union further declared, then the government should make an unequivocal declaration to that effect and face up to the duty of transferring the gold miners to work that was essential and in which the miners' special skills would be a boon to the war effort.

The union's letter to the government, in the form of a petition that received the signature of more than 2,000 miners in a few days, was sent to Ottawa the first week in January, 1942, and declared:

"We ask it (the ruling as to whether gold mining was an essential industry for one reason above all—as we are anxious to be engaged in production that will assist the war effort of our nation. We want to do our full share in crushing Hitlerism and all varieties of fascism forever. Therefore, if gold mining is not a war industry we ask to be transferred to a bona-fide war industry in the base metal fields with the provision that the mines here be closed for the duration of the war and not worked by other labour."

It is hard to believe that such an appeal, from men who felt themselves to be the victims of anti-democratic employers and a woefully inept labour policy, could have been ignored. Yet it must be recorded that it was ignored.

Hardly had the strike ended, with hundreds of miners forced by discrimination to uproot their homes and seek a livelihood elsewhere, when the government ironically announced that gold mining was not an essential war industry and faced curtailment in its operations. And it was to the gold miners and their union that the government then had to turn to solve the manpower shortage in base metal mining.

Can anyone compute the demoralizing effects such a contradictory and tortuous policy had on the gold miners and on the hundreds of thousands of other workers who saw the basic rights of collective bargaining at stake in the Kirkland Lake dispute?

We have dealt at this length with the Kirkland Lake strike because its lessons take on greater urgency in retrospect; because it was an emphatic vindication of the McTague Conciliation Board's statement that "the broad question of collective bargaining" could no longer be dealt with merely "by the old process of conciliation boards" and this urgent question lay on the doorstep of the federal authorities.

No one will deny that there has been some progress since the Kirkland Lake strike. The labour movement, for example, hailed the reconstituted National War Labour Board as a step in the right direction. Neither can anyone deny that the basic issue of stabilized, democratic, compulsory collective bargaining legislation and machinery which surely must be the core of the labour code envisaged by the Chairman of this Board, has yet been settled, or even basically tackled by the government. We submit that the McTague report of October, 1941, and the strike that followed, are powerful arguments for the enactment at Ottawa of compulsory collective bargaining legislation if we desire to avoid a repetition of Kirkland Lake and put industrial relations on a solid basis.

#### *Treatment of Labour as a Step-Child*

As in the Kirkland Lake dispute, an ever-present failing in the government's whole approach to wartime labour problems has been the treatment of labour as a step-child instead of as a partner. It would



be impossible to list the numerous occasions on which local unions and the leaders of both labour congresses have made representations to the government for equal representation on war boards, for recognition of labour's vital role as an active participant in the nation's war effort, for frank dealing with labour's representatives.

On a number of occasions labour's criticism of its treatment as a pariah, with respect to war boards, planning, consultation on problems affecting the workers, and with respect to its demands in specific disputes or on general issues, has been acknowledged to be justified by government leaders. Prime Minister Mackenzie King has publicly done so several times, promising steps would be taken to rectify the situation.

Mr. COHEN: Have you any reference to that particular case?

Mr. MORRIS: It is coming along now.

But as in so many other cases these promises have remained unfulfilled.

On Feb. 12, 1942, the Trades and Labour Congress made representations to the cabinet on this question. The Prime Minister praised the Trades Congress and agreed that labour certainly merited greater representation on war boards. As reported by the Congress Journal, he also voiced "regret that there were still employers who believed that workers should not be organized but he wished to assure the delegates that cautious and wise leadership that had characterized the Trades and Labour Congress of Canada had gained the respect of government and citizens generally."

Again, the same week that the Kirkland Lake miners resumed work under conditions of discrimination tolerated by the government, similar representations from the Canadian Congress of Labour drew similar utterances from the Prime Minister.

"Speaking quite frankly," the Prime Minister said, "I think the criticisms made of some phases of the government's activities are very true and fair. I do feel there is more room for representation of labour on some of the boards than exists at the present time."

Yet a year later the journal of the Trades Congress had to devote twenty pages of a special issue to prove that labour's representatives on all the dozens of war boards could be counted on the fingers of one hand. The government's conception of labour partnership, the Congress Journal said, was like the rabbit pie served in the first world war. It was supposed to be rabbit, but on closer examination turned out to be half rabbit and half horse. On closer examination still, it was found the ratio was one rabbit to one horse.

"You might think that that kind of a division was a little far-fetched," the Congress Journal continued, "but just study the list of government war organizations and government-owned companies... yes, and who is on them, and what aggregations of industry and finance are represented. Then try and pick out the representation that has been given to the working people of Canada, and you will wonder just what is going on."

The principle of proper labour representation, the trade union publication went on, "applies in all of our allied countries who are fighting for democracy, with one exception—Canada. What is wrong with Canada? Labour wants no more promises. We want action!"

Mr. COHEN: What is that quotation from?

Mr. MORRIS: *The Trades Congress Journal*.

The problem, of course, goes much deeper than representation on war boards.

Labour's attitude, as expressed by Trades Congress President Moore in Montreal exactly a year ago, is: "We want the right to take part in

labour-management affairs because we want to be in a position to know what sacrifices are necessary and what we can do to help." And again at Kingston: "The way to maintain the workers' support is to give them every opportunity to participate in the formulation of policies that so drastically affect their existence. It is on this basis that labour's wartime demands are made."

The most eloquent argument for labour partnership has come from the Prime Minister himself, who, in his address to the A.F. of L. Toronto convention last September spoke of "social control in which government, labour and management all share", and declared:

"The toil and skill and devotion of a vast industrial army are essential to keep the troops in the field, the ships on the sea, and the planes in the air, on all fronts of a world-encircling struggle. Side by side with our fighters, it is to the workers that we must look if the enemy is to be destroyed and if freedom is to prevail." The *Tribune* recorded the very favourable impression these words created in all sections of the country.

A complete revision of the government's approach to labour is needed, we submit, to make the Prime Minister's words reality. Failure to effect such a revision will weigh heavily upon the already overtaxed patience of the workers of this country. That is our conclusion upon this basic question.

### *Delays and Stalling*

Wartime labour relations in Canada have been constantly bedevilled by delays and procrastination arising from inadequacies in conciliation machinery, the absence of any comprehensive legislation or code, and very often by what seems to be a refusal to see that actual conditions demand changes in regulations or procedures that no longer fit the bill.

We have already seen that in the first major crisis at Kirkland Lake the McTague Conciliation Board established the fact that the Industrial Disputes Investigation Act is inadequate with regard to "the broad question of collective bargaining". Much delay, accompanied by drawn-out conflict, is attributable to the absence of any regulation or legislation that does cover this basic question of labour relations. Hence, the need for federal legislation making it mandatory for the employer to deal with the union of his workers' free choice.

But in the field in which the Industrial Disputes Investigation Act does operate, delays are all too common. We have time and again carried news in our columns of union applications for boards of conciliation that bogged down somewhere while tension and dissatisfaction increased in the plants. As one instance among many, it took the United Automobile Workers three and a half months to get a conciliation board at Chrysler's Windsor plant.

Here are a few more typical cases that are selected, all illustrations of similar delays because they have to do with current disputes. At the Welland Chemical Works in Niagara Falls the United Gas, Coke and Chemical Workers' Union has had an application in for two months for a Board of Conciliation, with no results. This case has special significance in so far as a federal commissioner has counted the union's membership cards and agreed that the union represents a majority of the plant's more than 1,400 workers. At the Niagara Falls plant of Burgess Battery, where half the working staff was recently laid off, the same union has similarly had an application in for a board for two months, has similarly been acknowledged as the bargaining agency of the majority of the workers, but has yet been able to get nowhere on its request for a board.

At the Consumers' Gas Company, Toronto, the Gas Workers' Union started negotiations with the company for renewal of a collective contract last September. It finally received a conciliation board, but it has taken the board three months to make its recommendations, with dissatisfaction rising and relations growing taut under the stress of delay.

And in all these cases, the workers had to take a strike vote, as has been the procedure, in order to get a conciliation board at all. This procedure has come to represent in the eyes of the workers one of the most contradictory stipulations of an inept conciliation machinery. It is a formality that is in direct variance with the admitted need to maintain uninterrupted production. It is mockery of the workers' attempts to implement the wartime no-strike pledge made by all unions in this country.

Conciliation obviously has as its aim the solution of disputes without recourse to interruption of production, but under the Industrial Disputes Investigation Act the government tells the workers they must first vote to strike before any attempt is made to conciliate differences.

Under the date of Jan. 19 of this year, an Order in Council gave the federal Minister of Labour authority to appoint a commission to investigate "any situation which in his opinion appears to be detrimental to the most effective utilization of labour in the war effort." This was the third order of its kind. Yet instead of speeding up conciliation, these have further complicated and delayed procedure and had no effect on the basic procedure whereby a strike vote must be taken preliminary to the granting of a conciliation board. The *Tribune* is at this moment reporting a case in point at the Breithaupt Leather Co. in Kitchener where a delay of several months was caused by repeated adherences to this clumsy machinery, when it was obvious from the first day that the union had a majority. A vote last week proved it.

Other delays that have led to difficult situations grew out of the over-all government policy.

One of these is the delay that attended introduction of P.C. 10802, which grants workers in government owned plants the right to organize and bargain collectively with their employers.

The issue as to whether employees of government-owned organizations have the right to union recognition was first reported by us in the spring of 1941 with the case of C.B.C. employees at Toronto who desired to conclude a collective bargaining agreement on conditions of work with their management. They were members of the Association of Technical Employees, an affiliate of the Trades and Labour Congress of Canada.

In the course of protracted discussions, the union charged, there were several cases of discrimination. Finally the Hon. C. D. Howe stated in the House of Commons that C.B.C. employees could not bargain collectively because the C.B.C. was an "emanation of the Crown".

We had to point out at that time that the employees of the Canadian National Railways and the Post Office enjoy collective bargaining relations through their respective unions.

I do not know whether they are emanations of the government or not.

Mr. COHEN: The Post Office is the Crown, and the Canadian National Railways is an emanation.

The attitude expressed by Mr. Howe had much more serious repercussions when applied to the thousands of workers in important Crown companies engaged in war production. Workers organized only to find that they were deprived of the right to settle their legitimate grievances through the time-honoured medium of collective bargaining. Numerous



representations were made to Ottawa, but without avail. This was especially the case with Small Arms Ltd. We reported a fine sentiment for greater production which was harmed by Mr. Howe's ruling.

Finally, on September 19, 1942, when friction and frustration were increasing in some of the war plants, the Minister of Labour is reliably reported to have promised representatives of Canadian Congress of Labour unions that within a few days an order in council would be promulgated granting employees of Crown companies the rights of collective bargaining.

But again there was delay, resulting in the development of a strike threat at Research Enterprises, Toronto. It was only in December, 1942, that the Order in Council was finally introduced.

In the absence of the Order in Council, commented C. S. Jackson, district president of the United Electrical Radio and Machine Workers, a number of questions had "piled up and reached a highly aggravated state" at the Small Arms plant. But when it was finally introduced, it was only a matter of weeks before the union and management were able to get together and sign a collective contract in which many contentious points were settled peacefully and in which undertakings for labour-management co-operation to boost production were an important element.

Here again it took the government three years to make a simple adjustment the justice of which cannot be disputed and the need of which should have been apparent when the government became a large wartime employer. During these years it became a focal point of contention, adversely affecting labour relations in government-owned plants, adding fuel to the fires of controversy, and, as in the case of Research Enterprises, leading to a situation where interruption of production became a distinct possibility.

Under its terms the new order still does not apply to CBC employees, who originally brought the issue into the open, nor to employees of the National Harbours Board. But the facts are that Order in Council 10802 grants labour's basic demand with reference to Crown companies; that its introduction followed the now familiar pattern whereby a modest request by labour is first refused, then stalled, then at long last acceded to after immeasurable harm has been done; and finally, that it was promulgated only as a result of persistent pressure, and after a long battle by organized labour. Needless to say, labour warmly greeted the new order.

The two most recent and most notable cases where government policy, and delays in the workings of Regional War Labour Boards, led to serious crises are the steelworkers' requests at Sault Ste. Marie, Sydney and Trenton for a basic rate of 55 cents an hour and the request of workers in three leading Montreal aircraft plants for adjustment of their cost of living bonus to levels in comparable plants in the Montreal area and elsewhere.

It took almost three years, a strike and reconstitution of the National War Labour Board to get the requests of the United Steelworkers union before the National Board.

In our issue of January 2, 1943, we carried the following record of the delays in handling of the steel dispute. It shows that it took four months for the union to get a ruling that the wage issue would have to be dealt with on a regional basis. It took eight months (from the time of the original request) to get a judgment from the Ontario Board that was unacceptable to the union. Here is the record up to that time as it appeared in the Tribune of January 2, 1943:

*Delay in Steel Case is Typical Example*

Delays in handling of cases by the War Labour Boards have been one of the most potent causes of dissatisfaction and frustration

among Canadian workers in recent months. Here are some details regarding cases dealing with the steel industry. The same story could be told of aircraft and other industries. These are typical of the unjustifiable delays and procrastination which have resulted in so much needless hard feeling.

For three years the United Steelworkers' Union have asked for a national conference to decide whether steel should be considered a national industry, like coal.

October 1941. The United Steelworkers put forward demands of 95 cents per hour for machinists, with 65 cents for helpers and 7 cents extra for night shifts, to replace 75 cents per hour set by a temporary agreement of October, 1940, and of a 55 cents minimum and recognition as a national industry.

December, 1941. The National War Labour Board was established and the question of the status of the steel industry was referred to it. After three months the Board gave a decision declaring that steel was a regional industry.

March, 1942. The case of Algoma Steel, Sault Ste. Marie, was placed before the Regional War Labour Board. Algoma machinists showed that in other Ontario mills and shops machinists were paid 80 to 90 cents an hour plus cost-of-living bonus.

April, 1942. Algoma Steel gave their reply to the machinists, stating that Algoma machinists were paid higher than those of the Steel Company of Canada or Dominion Steel and Coal Company and objecting that any increase to the machinists would bring demands by other workers.

May, 1942. Algoma Steel submitted a brief in reply to the union's brief. They claimed that the Steel Company of Canada's basic rates were 46½ cents for an eight-hour day, 41½ cents for a ten-hour day—pointing that their comparable rates were 45½ cents for an eight-hour day with time-and-a-half for overtime.

End of May, 1942. The Ontario Regional War Labour Board appointed a conciliation officer to deal with the Algoma Steel case.

End of June, 1942. A representative of the Algoma Steelworkers Union was called before the Ontario Regional War Labour Board.

Middle of August, 1942. The Ontario Regional War Labour Board gave its decision in the Algoma Steel case. It refused to establish the 55-cent rate requested by the union, but declared that adjustments of some of the employees might be reached through further negotiations.

Middle of August, 1942. Algoma Steel negotiated an agreement with machinists in its plant, but not with the Algoma local of the United Steelworkers.

End of August, 1942. Workers of the Steel Company of Canada's Hamilton plant requested a 55-cent minimum.

September 11, 1942. After threat of a strike at Algoma, a commission of three was appointed by order in council to investigate the demands of the steelworkers.

December, 1942. This commission recently concluded its public hearings, and is expected to make its recommendations at the end of the month.

Speedy handling of cases by the boards is a crying need. The only effect for such delays as now persist is to enrage the workers and dislocate the war effort.

In January, 1942, the steel union, as it had on a number of previous occasions, urged the government to call a conference of employer, union and government representatives to discuss all the problems facing the

steel industry. The proposal was turned down. Only after a strike at Sault Ste. Marie, Sydney and Trenton was the three-way conference held that had been proposed more than a year earlier. The steelworkers told us that had the government immediately recognized, as it did finally, that the case was within the purview of the National Board, had the case not bogged down in the Regional Boards; had the government from the beginning recognized, as it did finally, that there was some justification in the steelworkers' demands—then the three-year-old dispute could surely have been adjusted in an orderly manner and the recent crisis averted.

In the case of Montreal Aircraft, it took Lodge 712 of the International Association of Machinists ten months to get a renewal of a contract with Noorduyn, Fairchild and Canadian Vickers, even though the workers agreed after some months, in the interests of effecting a settlement, to modify some of their requests, which were in the end dealt with satisfactorily only after the reconstitution of the National War Labour Board.

The case of the 17,000 aircraft workers involved bogged down when it reached the Quebec Regional War Labour Board, and all efforts to get it before the National Board met with endless delay, even when the union's modified request received the endorsement of the managements involved.

Lodge 712 asked in substance that the workers in the three plants affected have their weekly cost-of-living bonus raised to the full bonus of \$4.25, as was the rule in almost every important aircraft plant across the country. It also fought for recognition of the fact that its case came within the purview of the National Board.

The character of the treatment accorded its request for a full bonus was underlined by the fact that last August, when the Regional Board first rejected Lodge 712's petition, it approved, at the same time, a contract between the Canadian Car and Foundry Aero plant and a company union in the plant, which contract provided for the full cost-of-living bonus demanded by Lodge 712. In short, what was denied a legitimate union was granted without hesitation to a company union.

In a letter to Prime Minister King, Lodge 712 declared:

"To be specific in our own case, we charge the Regional Board with having delayed for five months the conclusion of union agreements which, if adjudicated upon by men of action and fair mind, could have been signed and approved in a matters of days."

Saturday, November 21, 1942.

### *Union tells King Regional Board acts as Wrecker*

Montreal, Que.—An appeal to Prime Minister King, "as our leader", to intervene to stop anti-labour practices by the Quebec Regional Board in the aircraft industry of that province has been sent by Aircraft Lodge 712 of the Machinists' Union. The letter quotes chapter and verse of these practices, which are threatening production norms in this city, and is signed by five of its officers and two grand lodge representatives, Robert Haddow and Adrien Villeneuve.

Outstanding points of the letter are:

"The undersigned, on behalf of the Executive Committee and the members of Aircraft Lodge 712, International Association of Machinists, bring to your attention, as leader of our country's government and director-in-chief of Canada's war effort, the crisis which exists in the aircraft plants of Montreal as a result of your Quebec Regional War Labour Board's anti-labour policy.



"To be specific in our own case, we charge the Regional Board with having delayed for five months the conclusion of union agreements which, if adjudicated upon by men of action and fair mind, could have been signed and approved in a matter of days.

"We charge the Regional Board with playing the game of those who seek to destroy honest trade unionism, by permitting itself to be used as a tool to introduce Nazi-like control over the worker through the medium of company 'unions'."

*"Pioneers of Co-operation"*

"Lodge 712 has always stood four-square for total war. Total war for employer and employee—for every citizen. Largely through our efforts, the first steps were taken in Canada towards government-labour-management co-operation for all-out production through the medium of joint production committees. Under this impetus production has consistently been increased in the great aircraft plants of Montreal. In two of these, production has been doubled, almost entirely as a result of the spirit shown by the workers, led by their union.

"In June, 1942, negotiations were opened with Fairchild, Noorduyn and Vickers for revision of the agreement which expired on June 30. We made it clear that we were anxious to conclude discussions quickly and get the new agreement out of the way, in order to devote all our energies to increasing production. All concerned had ample evidence of the havoc wrought on morale in the long-drawn agreement battle of 1941."

We set two weeks as the goal. That was five months ago. The agreement is not signed yet.

"Lodge 712 asked only for a common-sense levelling up of rates within the aircraft industry, to make nation-wide stabilization possible. Think what this means, sir, in the field of National Unity! How much longer are the workers of Quebec to remain economically inferior to those of the sister provinces? The case we laid before the Regional Board has never been answered. It has only been thrown out, after interminable delays, without comment.

"At first we approached the Board alone, because management felt it could not go with us 'against its customer', the government. When first we were turned down, tempers flared in the shops. Hot-head elements immediately began to call for a strike (we suspect some people in high places might have been glad of an opportunity to smash a strike!)

"But our leaders, our shop committeemen and the great majority of our members kept their heads. The union took the stand that there must be no strike in aircraft. This does not mean, however, that we will not fight to the finish for our just demands."

The letter then relates in detail how the Labour Board, even when some companies partly agree with the union, used its powers to deny the full bonus to union men and favoured those firms who are busy building company unions.

Montreal's aircraft workers are going to remain trade unionists and will resist to the last ditch any attempt to introduce company "unionism" into the shops. We shall not seek a showdown unless anti-labour elements force it upon us. But we cannot be goaded further and we will not relinquish our rights.

*"Want Square Deal"*

"We call on you, therefore, as our leader, to recognize the urgency of plain, square dealing with the Canadian worker. Lodge 712 pledges itself anew to a full-out effort until victory is won. We ask you, as our national leader, to give us the chance to make that effort! We rest our case before you in an hour when, more than ever before, the over-the-top effort of the Canadian people is needed for total victory."

This direct appeal to the head of the government brought in results. Clinging to its determination to prevent government procrastination from bringing on an explosion of pent-up feelings, Lodge 712 addressed a call for assistance to all affiliates of the Trades and Labour Congress. Some quotations from this call will illustrate that the demand for a thorough revision of government labour policy stems directly from the breakdown of that policy.

Lodge 712 told its brother organizations as reported in the *Tribune*: "The problems which our Lodge has encountered... have become all too common in our province, and, we fear throughout the country...."

In common with many of our standing labour leaders we feel that a complete change of labour policy is needed in Canada. This letter marks the beginning of a campaign directed at securing this change, and we are confident that we will not be alone in voicing our protest.

Mr. COHEN: When was this letter written?

Mr. MORRIS: November.

The letter declared "the battle we are fighting is not ours alone. It is the fight of all true Canadians."

Yet it was not until February, following the reorganization of the National War Labour Board, that the federal cabinet finally agreed to remove the bottleneck and permit the airrafters' case to come before the National Board. But this was done only when a mass delegation from Lodge 712 arrived in Ottawa with instructions to remain on the government's doorstep until it received satisfaction.

Mr. COHEN: I do not quite understand what you mean. I do not know that it ever came before our Board.

The CHAIRMAN: I think what Mr. Morris has reference to is a letter that was written by the Minister indicating that aircraft would be declared a national industry. Is that what you mean?

Mr. MORRIS: Yes, sir.

And so again, in the cabinet's decision, we find a complete reversal of the position it had taken all along. Recognition of aircraft as a national industry constituted a complete change from the former attitude which kept the airrafters' case bottled up by the Regional Board while a major crisis was developing. And granting of the request for a full cost-of-living bonus by the present National Board surely testifies to the justice of the demand.

If, therefore, Lodge 712 in February was found to be justified in its request for a hearing before the National Board and for a full bonus surely there was a powerful case for its demands in July, 1942, and in the ten months of controversy that marked the dispute. If a mere renewal of a contract already in force, let alone the attempt to get negotiations started when the collective bargaining process is first initiated, is to be dragged out for ten months, it is obvious that any kind of stable harmonious labour relations become well-nigh impossible.

It is our opinion that the final judgment in the aircraft case (pending steps reportedly being taken by the union to have the bonus award made

retroactive) are a severe criticism of the workings of the Quebec Regional Board and of the government's policy and attitude during the long drawn out dispute. Industrial harmony demands that revision in the approach to the whole problem in order to make such settlements possible with a minimum of delay must be undertaken immediately before similar crises develop with perhaps less happy endings.

### *Discrimination and Company Unions*

The tremendous expansion of Canadian industry since the start of the war has been accompanied by an expansion in trade union organization. All Canadian labour is proud of the results of our magnificent war industry. Yet, in the absence of compulsory collective bargaining legislation and a comprehensive labour code at Ottawa, the development of industry and trade union organization has been marked by unceasing attempts on the part of certain powerful employers to prevent their employees from exercising the full rights of collective bargaining.

Collective bargaining is a cornerstone of democracy, a process that hardly anyone in the year of 1943 will dare publicly oppose in principle. The attack on the growing trade union movement therefore usually takes the form of—

1. Discrimination and other pressures which the employer can use against the employee who is a member of a union;

2. The promotion of company unions, councils, associations and other so-called "representation plans" which have nothing to do with the desires of the workers, are dominated in one form or another by the employer, and are used by him to head off or combat legitimate unions.

Hardly an issue of the *Tribune* goes to press without some account coming from our worker correspondents of anti-union discrimination or company unionism. It would be impossible in this submission to do more than give selected illustrations.

The extent of the drive to promote company unions as a dam against the legitimate, democratic and truly independent trade unions of this country was brought to public attention last November. In the city of Hamilton an announcement was made of a plan to form a federation of company unions under the title, "The Canadian Federated Council of Employees". A certain Peter Tully, head of a company union which had entangled labour relations at the Hamilton plant of the National Steel Car Corporation, was president of the Council, and J. N. Arril, secretary.

Tully made no bones about the fact that it was planned as a counter to existing bona-fide unions. This was clear from the constitution published by the Council. It was also so labelled in statements made to the *Tribune* by Hamilton labour leaders, who charged the Council was a plot of certain open-shop Hamilton employers who to this day refuse to deal with the unions of their employees' choice.

The Council, whose chief distinguishing feature was a misty vagueness as to set-up and representation, soon merged into an assortment of company unions in Ontario, and boasted among its stalwarts such persons as Captain McMaster, whom we shall mention again later.

One aspect of this company union drive with national pretensions that is considered intolerable by labour, is the readiness of government boards, etc., to accept these fraudulent groups as bona-fide unions, or in lieu of bona-fide unions. One illustration of this strange attitude has already been given: granting of the full cost-of-living bonus to the Canadian Car and Foundry Company union in the same month that the full bonus was refused Lodge 712 of the International Association of Machinists.



Another case is the de Havilland Aircraft plant at Toronto.

In November, 1942, a conference of the United Automobile Workers Union at Brantford, Ont., announced that Judge Ian Macdonnell, Industrial Disputes Inquiry Commissioner, had recognized a company union as the bargaining agency at de Havilland. As in many other plants where bona-fide unions begin organizing or already represent a majority, the company had signed a "contract" with the company union.

This was contested by the United Automobile Workers. After investigating the dispute, Commissioner Judge Macdonnell said, according to Canadian UAW director, George Burt, "no injustice would result if matters were allowed to stand until March, 1943," at which date the contract with the company union was to expire.

The Commissioner's report clearly had no basis or justification. The de Havilland company union was a dead pigeon. The UAW won a sweeping majority in a plant election on March 22nd. If that is not sufficient proof of the fact that the company union had not had the support of the workers, then surely no more proof is required than the fact that it had long ceased to exist even as a shadow before the election, and its fact was officially buried by its own officers.

It was with reason then that Mr. Norman Dowd, executive secretary of the Canadian Congress of Labour, said in Toronto last December that some employers have "got the wind up and are doing their best to sign contracts with company unions". The situation was made serious, he told a joint Ontario conference of Trades Congress and Canadian Congress unions, by the fact that government boards were apparently giving these company unions contracts approval, although, he stressed, they were signed by the employer and the employer's "stooges". That is to say, they were arrived at by the employer sitting on both sides of the table.

Pretty much the same general pattern can be found in one industry after another.

Mr. LALANDE: What kind of approval are you referring to when you say that government boards were apparently giving these company union contracts approval?

Mr. MORRIS: That these contracts have been O.K.'d or regarded as quite legitimate and enforceable by government agencies.

Mr. COHEN: By what department?

Mr. MORRIS: By the Department of Labour and other boards. The condition seems to be approved by the fact that they are permitted to refuse to accept men who belong to bona-fide unions.

Mr. COHEN: In the case of the de Havilland Company, and the recent report of a conciliation board in Brantford, if I remember rightly, the union did in fact represent a majority of the employees, but the agreement was entered into with the employees' association with a lower ratio. It is in a recent issue of the *Labour Gazette*.

Some months ago the United Gas, Coke and Chemical Workers' Union began organizing in plants in its jurisdiction at Niagara Falls. We have already mentioned the fact that it claims a majority at the Welland Chemical Works (in Niagara Falls). No sooner did it begin organizing in the plant before a company union was displayed by the management. At the Burgess Battery plant there was the same development. As soon as the workers organized in the chemical workers' union the management conjured up a company union.

On March 13th last the *Tribune* carried an analysis of company unionism in Ontario plants within the jurisdiction of the United Electrical,

Radio and Machine Workers of America. The analysis was based on an exhaustive brief prepared by the union, filled with firsthand accounts and backed by affidavits.

The study showed that company unions were set up in 30 out of the 33 plants throughout the province in which the union had begun organization, and these company unions were used as "legal" justification for the refusal to recognize the workers' democratic right to bargain with their managements through the United Electrical, Radio and Machine Workers.

Presenting its evidence to the Ontario Legislature Select Committee on Collective Bargaining in March, the United Electrical, Radio and Machine Workers declared:

"We are motivated by a desire to show this Committee how the democratic rights of the workers in this country are subverted in the interests of selfish motives on the part of many managements, and to further indicate to this Committee the extreme dangers which lie ahead in Canada if no halt is put to the activities of managements now attempting to put over on their workers various subterfuges. . . "

"We implore you to recognize the dangers of interruption of production arising out of the many acts of intimidation, discrimination and outright provocation which are prevalent in the war plants of this country."

Here are some typical cases of company unionism in Ontario plants where the U.E.R.M.W. has been organizing:

*Underwood Elliott Fisher, Toronto:* Less than one week after the union began organizing a general meeting of employees was called at which the company president attacked the "outside union" and announced a vote would be held within two days for the setting up of two "plant committees." When the workers elected union members to practically all the positions on these committees, and when the committees presented the management with a request for a government-supervised plant election to determine the bargaining agency desired by the workers, the management promptly suspended the functions of the committees.

Among other acts of discrimination, twelve union members in a department engaged exclusively on war work were fired. Foremen made the rounds of the workers, asking them to sign their names to an endorsement of a company union set-up. A union member's home was visited by civic police, who carried no warrant of any kind. The same man was later picked up by the police, taken to the company's head office, and detained there against his will without any explanation and without the placing of any charges.

The net result of "this company's attempt to frustrate the legitimate desires of their workers for organization," the U.E.R.M.W. declared, has been "destruction of morale and interference with essential war production."

*Atlas Steel, Welland:* After the workers began the organization of a local of the U.E.R.M.W. the management amended the constitution of its Employees' Association, a purely social organization, so as "to include bargaining rights" and permit it to enter into a contract with the company. Union members charge they have been subjected to bulldozing tactics, and that one union member was approached with an offered bribe of \$20 if he would join the company union.

*Otis-Fensom, Hamilton:* The U.E.R.M.W. claims a majority and has long been seeking negotiations with the management. An attempt was made by the management to counter the union with the introduction of an Industrial Relations Committee. When this was rejected by the workers, a new organization was set up called the "Otis-Fensom Employees' Association", which the management insisted was the only "collective bargaining" agency it would deal with.

*Aluminum Company, Kingston:* Petitions asking the workers if they were in favour of an Employees' Council were circulated on company property and at company expense, while at the same time union members were locked out by the company.

*Sawyer-Massey Limited, Hamilton.* The U.E.R.M.W. has a sworn affidavit of one employee who declared he was approached by two members of the company union "who were inspectors, and told that if he would join the Association (company union) he would get a raise in pay".

At this plant, the U.E.R.M.W. study of company unions goes on, "employees state that some men are joining the Association (company union) in order to get Army deferments—the boss gets it for them". We will show later that this is not an isolated case.

Also, at the Hamilton plants of Otis-Fensom and Sawyer-Massey, already referred to, "the services of a company lawyer, Mr. R. R. Evans, K.C., were supplied to the company union" in each plant. At the Aluminum plant in Kingston the management not only signed a so-called contract with the company union but also provided a full-time "business agent" for the company union.

The case of the Montreal Marconi plant has already been mentioned at this inquiry. This is a burning issue at the moment. All we need to do here is emphasize the following points:

1. The workers have been denied of the right to collective bargaining for almost a year.

2. The Marconi Company union set-up demonstrates the disruption and damage wrought in the field of labour relations by company unions, especially when pursued with the stubbornness evident here.

3. The Marconi management, in its blind opposition to bona-fide unions and collective bargaining, has so far openly defied the Department of Labour in its refusal to reinstate J. J. Rouleau, president of the Marconi A.F. of L. Union, contrary to the specific instructions of the Department of Labour. Rouleau was admittedly fired for union activity.

Failure on the part of the Department of Labour to check this defiance of its order will not only be at variance with its actions when it is a matter of forcing a *labour* organization to comply with a given ruling, but will be an admission of bankruptcy.

An example of this sort of thing that has been going on in the highly industrialized city of Hamilton is furnished by the Hamilton plant of the Steel Company of Canada, one of three basic steel producers in the country, employing approximately 4,000 workers.

Mr. COHEN: There is one item with respect to your reference to Canadian Marconi that I should like to go back to. You might make it clear. Which order do you refer to there?

Mr. MORRIS: The order by the department.

Mr. COHEN: You mean the order of the Minister of Labour under P.C. 4020?

Mr. MORRIS: Yes.

Mr. COHEN: It has not been carried out?



Mr. MORRIS: No, not up to yesterday.

For many months there has been a critical situation at the Stelco plant. The United Steelworkers of America, claiming to represent a majority of the employees, has been seeking negotiations with the management. But the management has stubbornly refused to recognize any group but a so-called plant council.

This council consists of 11 representatives elected by the workers in the plant, and 11 representatives of management. It was admitted before the Ontario Legislature Select Committee on Collective Bargaining, by a representative of the Stelco personnel staff, that the president of the company has the deciding vote in the event the 11 representatives of each group line up solidly on opposite sides of any question. Thus, in the final analysis, it is the company president who decides the issue.

In January of this year H. G. Hilton, Stelco vice-president, said in a letter to the *Toronto Globe and Mail* that his company considered the plant council the only representative of its employees. Apart from the fact that the company has refused to permit a vote to let the matter be decided by the workers once and for all, it can be shown that the composition of the plant council itself destroys the company's whole case.

The last election for the plant council was held last November. For the first time the steel union decided to sponsor eight candidates as official candidates of the union. Every one of these official union candidates was elected.

Then the worker representatives of this plant council, in which at one time the company put so much faith, joined the union in asking the management to agree to a conciliation board to hear the union's requests. When this was turned down the elected council members served a demand on the management to recognize the United Steelworkers local as the bargaining agency of the workers and conclude a collective contract with it. In short, the company's own creation, designed to offset the legitimate union, itself insisted that not the plant council, but the legitimate union, represented the workers. It is also interesting to note that the president of the Stelco steel union, Tom McClure, was also elected president of the plant council, indicating the union's support among the workers.

The situation, then, boils down to this: The company declares the plant council represents Stelco employees. The plant council, on the other hand, declares flatly that the United Steelworkers alone represents Stelco employees and demands that the latter be so recognized. The plant council denies its own right to act as the men's bargaining representative!

Yet, the company, in violation of the declarations of P.C. 2685 and of all accepted collective bargaining practices, stands pat in its refusal to deal with the steel union.

Then there is the case of Captain McMaster, who claims to represent more Canadian seamen than there actually are. McMaster has on different occasions acted as a company union front in the fight of certain shipping companies against the Canadian Seamen's Union, which is affiliated with the Trades and Labour Congress.

Mr. COHEN: Two members of this Board have previously heard of Mr. McMaster.

No doubt other union submissions will not allow him to escape the notice of this inquiry. It may not be amiss, however, to point to him and his phantom "unions" as examples of the kind of stooge organizations that should be specifically outlawed by collective bargaining legislation.

On May 1 last the *Tribune* published letters and government documents to prove that McMaster's so-called National Seamen's Association of Montreal has hired men for an allied shipping agency under false pretences. Last December according to a reply of the Department of Transport appearing in sessional paper No. 218 of the House of Commons, McMaster's "Association" hired a number of Canadian seamen on behalf of a shipping company in New York.

The said seamen, the Department's statement said, "complained to the Canadian Assistant Trade Commissioner that they had been engaged in Montreal . . . on the assurances that they would receive positions as deckhands (seamen), but learned on arrival at New York that they were to be engaged as messmen and galley boys—ratings which carry a substantially lower rate of pay.

Eight of these seamen allege that the lower rating was inserted in the agreement after they had signed it in Montreal.

When they refused to serve under these circumstances, the Transport Department says further, "ten Canadian seamen were confined on Ellis Island." For this treatment the men had to pay McMaster \$10, before leaving Montreal as "Association Fees."

These facts are supported by Mr. George Thompson, who is the representative in the United States and Canada for the British National Union of Seamen. According to the British seamen's representative, "there is evidence to support the fact that he has tried to suborn British seamen in our pool in Canada and then sell them back to us."

It is reported that federal authorities are now refusing to permit McMaster's National Seamen's Association to do any recruiting for merchant shipping, as he has been permitted to do in the past. It would seem to be only a logical further step to exclude such groups by legislation when they pretend to operate as unions or collective bargaining agencies.

### *Company Towns*

The most powerful arguments for compulsory collective bargaining legislation outlawing company unions and anti-union discrimination can be found at Sudbury, in the mines and smelters of the International Nickel Company, where Local 598 of the International Union of Mine, Mill and Smelter Workers has been organizing among INCO's 12,000-15,000 employees under conditions that beggar description. (In passing, it should be said that metal mining towns like Sudbury and Trail have always been known in the labour movement as "company towns".)

On February 24, 1942, twelve men entered the union's office, smashed everything in sight, and sent two union organizers, Forrest Emerson and John Whelehan, to the hospital. Emerson, when released from the hospital three days later, went back to the wrecked office. He found the floor, walls and destroyed furniture covered with dried blood. "It was as if the place had been used as a slaughter pen," he told the *Tribune*. (*Tribune* issue of March 14, 1942.)

A statement distributed by a committee of miners and smeltermen declared:

"The whole affair was engineered by Harry Smith, superintendent of the Frood mine, establishing the whole thing as a vicious INCO plot. Here are seven of the Frood scum who made the raid: Louis Gorce, Jack Foran, Neil McKay, Jack Johnston, Stinky Stillmac, George O'Malley, Tom Lindsay."

The statement made a further charge of INCO complicity with the declaration that at the time the 12 attackers were smashing up the union

office, their numbers were checked in at the mine, that Frood superintendent Smith had put them up to the job, and that two of the attackers had confessed their share in the assault.

The matter was raised in the House of Commons by Mrs. Dorise Nielsen and Mr. Angus MacInnis, but Labour Minister Mitchell said he knew nothing about it. A demand for a full investigation was ignored.

Last November 8, after being forced to work secretly following the smashing of its office, the union came into the open at mass meetings attended by thousands of INCO workers. Within a week the management announced signature of a "collective contract" with a company union rushed into being under the name of the United Copper Nickel Workers, which was a revamped version of the company's old Welfare Associations.

At the same time a yellow dog contract was signed at the INCO refinery at Port Colborne between the management and an "Employees Welfare Association."

INCO workers knew nothing about the signing of these so-called contracts until copies of them were distributed. They had absolutely no say in the matter. But contracts declared that in all disputes and grievances the decision of the general superintendent shall be final. That the main aim of the management was to head off the legitimate union was openly stated by the Sudbury Star, staunch INCO defender, which wrote editorially: "Fundamentally, it (the yellow dog contract) should remove, possibly for all time, the ogre of possible CIO interference with the operations of the mines and other plants."

Signing of the fake contracts inaugurated a campaign of intimidation against members of the Mine, Mill and Smelter Workers Local 598 and unceasing company attempts to coerce workers into joining the company union.

In its brief to the Ontario Select Committee on Collective Bargaining, Local 598 testified.

"In addition to company officials, mine captains, etc., in the company union, there have been paid organizers allowed and encouraged to organize on company time throughout the mines and smelters. We have sworn statements proving that as many as one hundred men have been kept from working for over one hour in the Frood Mine while a company union man attempted to persuade them to join the United Copper Nickel Workers. Instances of this nature have occurred many times throughout the mines and smelters of this company, holding up production. To try and force workers into the company union, experienced miners have been replaced by inexperienced men and placed on jobs requiring less skill and experience, resulting not only in loss of income to the men demoted but also loss of production to the war effort.

"Such tactics have been applied in the shops and smelters with the same results. Coercion in the form of promising advancements and more pay to some workers if they will join the United Copper Nickel Workers in disregard of seniority, has also been used. Being subject to these conditions has given the workers no incentive to increase production and has determined the morale of many of the workers.

"The workers' efforts to organize have not only been opposed on the job. The influence of the company extends throughout the community.

"On February 24, 1942, the office and furniture of our Union on Durham St. in Sudbury were smashed and two union organizers were the victims of a murderous storm-trooper raid by men whose time-cards were punched in at Inco's Frood Mine.



"We have been denied the use of the radio, and the local daily press has carried a vicious campaign of anti-union propaganda. It refuses to print our press releases or letters answering charges made. The union of workers, Local 598, is rapidly growing out of the needs of the workers even though suitable meeting places have been denied to us and in some cases contracts for such meeting places actually cancelled after being made.

"A contract for use of a Sudbury theatre, signed by Local 598 and the Canadian Congress of Labour, and the Canadian office of Famous Players Corp., was cancelled on orders from the head office of Famous Players, after the meeting to be held in the theatre had been well advertised. This is a demonstration of the power and influence of Inco.

"Company union and anti-labour tactics such as we have cited should not exist in Canada, and we believe that only in countries occupied by the Fascist-Nazi powers are these things general.

"We workers and citizens of Sudbury district do not approve of such practices and we are building our union to remove such conditions at home. At the same time we realize we must defeat such conditions abroad and that nickel must be produced to win the war.

"Our policies and aspirations are based on the perspective of:

"(a) achieving for the workers of Sudbury the economic and social security to which all workers are entitled and which thus far have been denied the miners and smelter workers here.

"(b) stepping-up production of nickel and copper by proper union-management production councils, which have been found to work so successfully where workers are recognized as a partner in industry and are designed to attain maximum production in the various mines and smelters.

"Proper union-management committees would enable the workers of Sudbury district, whose patriotism is unquestionable but whose hands are tied by the International Nickel Company, to make their much desired maximum contribution towards the destruction of Fascism and the successful conclusion of the global war.

"International Nickel Company's Huntington, West Virginia plant, typifies the high standard of production to which Sudbury workers aspire. Through their union-management production council they (the Huntington workers) have increased and continue to increase production, winning the highest efficiency awards, including the Navy 'E' flag and the Army-Navy 'E' Flag and several stars to these as well as the U.S. Treasury 'T' Award.

"Such achievements could be made in Sudbury if the workers were guaranteed the same rights of collective bargaining as the workers in the United States, where under the protection of the Wagner Act the workers in the Huntington plant, organized in a C.I.O. union, have won from the International Nickel Company a union contract embodying such clauses as, "There shall be no discrimination, interference, restraint or coercion by the company or any of its agents against any employees or applicants for work because of membership in the Union," "...in the interests of harmonious relations the Company recognizes that responsible union leadership is of value in employee-employer relations and recommends that those employees who are now or who may become union members continue their membership..."

"Latest INCO development is at Port Colborne. Local 637 of the Mine, Mill and Smelter Workers, which claims a majority of the Port

Colborne refinery's approximately thirteen hundred employees, has asked the management for negotiations on a collective contract. The request has been turned down by the management on the grounds that contractual relations already exist with the company association, which the union says has about thirteen members. Last December the *Tribune* sent one of its staff members to Sudbury to get a first-hand picture of the situation there. In our issue of December 19, 1942, we published his on-the-spot reports in the belief that what happens at Sudbury is vital for production of the war, for wartime labour relations and for Canadian democracy."

I may say that on May 2nd the union supporters held a meeting, and marched through the streets, 7,000 people in a parade for the victory loan.

In that same belief we take this opportunity of submitting his reports to this inquiry.

Though the reports that follow were written and published four months ago, the situation has not changed, except for the continued growth of the union.

Saturday, Dec. 12, 1942. (*Canadian Tribune*, p. 18.)

### Crisis Looms in Nickel Production—INCO Sacrifices Interests of Victory to Greed.

Union Charge of Mass Discrimination and Production Hold-up Brings Assurance that Government will hold an Investigation

By R. S. Gordon, *Tribune Staff Writer*

Sudbury, Ont.—Cut into the very rock of bleak Northern Ontario, this hardy city of 35,000 is an outpost of the United Nations' world-wide battle against the Axis.

From the pits sunk deep in the rugged surrounding terrain comes the war-precious nickel which is the Allies' main supply. From here, too, comes the copper, platinum, precious and rare metals, without which the war could hardly be fought.

Sudbury is not merely another industrial town. It is one of the blocks on which the pyramid of our war production is built—our own and our Allies'. It is also a remote section of the Dominion where the war has shaken the hold of monopoly domination, and where democracy is stirring powerfully.

I came here to get a first-hand report on what has been happening. I got it from the mouths of the men who work underground for International Nickel, from the mill and smelter workers, from official sources, and leaders of the International Union of Mine, Mill and Smelter Workers, the organization and growth of which is changing the face of the community.

### *Serious Crisis*

The outstanding fact to report to all Canadians and our allies who depend on INCO's production is this:

At this moment a crisis is developing here which threatens the whole war effort. It affects all branches of copper and nickel production, as well as the 13,000 INCO workers, their families and their community. It is a crisis that threatens to grow worse rather than better. It is the direct result of INCO's apparent decision to fight its workers' efforts to organize for legitimate economic demands and greater production, even though it thereby stirs dangerous friction and puts the war effort in the back seat.

So acute has the situation become that an official report has gone forward to National Selective Service at Ottawa and the Federal Department of Labour. Both the union and the local Selective Service office are now awaiting the arrival of a special investigator from Ottawa.

### *Holding Up Production*

The matter was brought to a head last week when R. H. Carlin, international representative of the union, wired Selective Service Acting-Director A. McNamara:

"We wish to draw your attention to a situation which, if not remedied immediately, may cause serious labour trouble. By demotion and other forms of discrimination against union members, International Nickel Company, along with creating unhealthy labour relations, is definitely holding up production of the all-important metals, nickel and copper. Advise you investigate situation immediately."

Selective Service referred the wire to M. M. MacLean, Director of Industrial Relations, who informed Carlin by wire that he "had already received a report" on the situation and was making arrangements "to assign an industrial relations officer to investigate."

### *Second Protest*

No sooner was MacLean's reply received than more reports poured into the union office of coercion and discrimination against union members and numerous attempts to force miners into INCO's company union.

Carlin sent another wire to MacLean warning that the situation was becoming worse, and charging:

"INCO officials holding up production during working hours in order to sell company union to workers. Threats and duress being used by Company to force workers into company union. Urge investigation immediately to prevent further sabotage and possible serious labour trouble."

Carlin's charges were supported by the testimony of countless INCO workers. They were also corroborated by official sources which I am not at liberty to name.

I sat in with union leaders as a line-up of INCO miners and smeltermen filed through the union office with accounts of their individual cases. From the numerous depositions made, a few examples will serve to indicate the tactics being employed by the Company and the dangers it is courting.

### *Actual Cases*

Experienced miners are being shifted from work they are skilled at, to jobs which waste their ability, pay a lower rate, and keep them isolated from the other men. Some of the men have been flatly told that they won't get their old jobs back unless they leave the union and join the United Copper Nickel Workers, a "yellow dog" outfit sponsored and dominated by the Company.

At the Stobie open pit a shift of 40 men reported for work the other day at 8 a.m. From 8 to 2 p.m. they were subjected to high pressure harangues from the shift bosses to join the company union. They worked only two hours on that shift. The loss to Canada's war effort was the output of 240 man-hours.



At the Frood mine a whole level, comprising 105 men, was kept from work one hour and 15 minutes to hear a pep talk from the shift boss on the blessings to be enjoyed from membership in the company union. The loss to Canada's war effort was the output of 131 man-hours.

### *Valuable Metal Lost*

At the Frood open pit last Thursday, on the night shift, two truck drivers who were company union organizers left their trucks idle all night to canvass every man on the shift for membership in the company union. Each truck had a capacity of 35 tons, and would ordinarily have made 17 trips, at the very least, carrying ore to the crusher. They would thus have hauled a total of 1,290 tons of ore.

A conservative estimate of the metal content of the Frood open pit ore, according to the men who ought to know, is 2 per cent. Thus the company union propaganda of the two INCO stooges, during working hours, lost the United Nations a minimum of 25 tons of badly needed metal.

### *Refuses Bribe—Laid Off*

One of the union leaders is an underground worker whose record has been praised by his shift bosses. Within the last few weeks he has been subjected to a double attack. From his mine captain has come the proposition that if he, with his union experience, would consent to lead a purely "Canadian union" outside the CIO, he could go places. At the same time the union leader has been warned that in case he chooses not to play ball, "we know how to deal with guys like you."

The union leader chose "not to play ball". Last week he said so in unvarnished terms. He was immediately ordered to another job which would remove him from contact with the other men. When he demanded an explanation, he was laid off for three days, at a time when the Government has found it necessary to freeze employees in base metals industries to their jobs in order to overcome a serious manpower shortage.

### *Use Draft Threat*

The list of such cases can be extended to any length. But there are still worse forms of discrimination which I checked for myself with men personally victimized.

INCO is now using the threat against single and married men eligible for military service that unless they leave the union and join the Company organization.

As vital war workers, employees in base metal industries are exempt from military service. INCO's tactic thus uses military service as a threat against union men, offering exemption for those joining the company union; in either case an insult to the men and a mockery of the war emergency.

According to authentic information the discrimination against union members in the pits and smelter has reached such a scale that Selective Service is seriously disturbed. Robert Hall, who heads the local office, is a very harassed man, reportedly inundated with cases of discrimination that take most of his time to handle.

### *A Study in Contrast*

From an authoritative source I have received a report that emphasizes the ferment caused at INCO by the Company's widespread discrimination. It contrasts working conditions at INCO with those at the nearby Falconbridge mine, which is owned by another company.

At Falconbridge, according to this report, basic pay rates are the same as those at INCO. But there is no ferment, no such discrimination, no such record of complaints, no such friction, no such dissatisfaction on the part of the workers, no such labour turnover.

The report says further that only 10 men quit Falconbridge last month, while at INCO the figure was of alarming proportions.

An official in close touch with the situation told me bluntly that the explanation lay in the fact that INCO was putting its men over the barrel. He also freely confessed that an impossible situation was developing which required immediate intervention by Ottawa.

The situation is no longer merely local. The issue of whether a powerful monopoly can put its hatred of union organization and its private interests above the interests of the Allied war effort.

The story of how the Mine, Mill and Smelter Workers' union is being built, how it is bringing democracy to Sudbury, and the charges of INCO workers that production is bottlenecked, is told in the following pages.

Saturday, Dec. 19, 1942.

*An Open Letter From Canada's Nickel City*

Hon. C. D. Howe,  
Minister of Munitions and Supply,  
Ottawa, Ont.

Dear Sir:

Two centuries ago, when the Empress Catharine visited the Crimea, her ministers hastily erected "model villages" on her route to camouflage the countryside.

Six months ago, as Minister of Munitions and Supply, you visited the mines and mills of the International Nickel Company. Like the Empress Catharine, you were made the innocent victim of a cheap farce.

You were taken to see the Frood ore crusher, said to be the largest in the Empire. This week the workers of the Frood open pit told me that the crusher was out of commission during your visit. A shaft of the crusher was broken. But the management ordered it to be filled with tons of ordinary rock to impress you, and when the stage play was over, the men had to shovel it all out again and cart it away in wheelbarrows.

Perhaps that is a small item compared to INCO'S long list of other "accomplishments". But it cannot go unreported. In the latest issue of Saturday Night, for example, J. A. McRae grows lyrical about INCO, and after ecstatic eulogies of its accomplishments writes: "The truth is, however, that sinister forces appear to be planning a campaign of action which may lead to virtual sabotage of the vast and priceless accomplishment. I refer to the activities of labour agitators. . . . Again it is the CIO at work."

#### *INCO'S Model Village*

The broken ore crusher and the outpourings of the Saturday Night writer are part of the "model village" being erected to hide what is taking place here.

Apart from the personal interest, Sir, that you would naturally feel in the hoax which so brazenly insulted your ministership, you are the head of the government department directly responsible for war production. I address this letter to you from the city where Canadians of all extractions mingle their sweat and labour to wrest from the earth the

metals which give us and our Allies the promise of Victory. It might at the same time be addressed to every war worker in every plant, to every citizen in our combined national effort.

It is a report on what is happening behind the facade of the "model village" built by a powerful monopoly and its slick apologists.

### *INCO's "Sabotage"*

I have been mingling with the miners and smeltermen of INCO—sitting in at their meetings at the Mine, Mill and Smelter Workers' hall; riding to the pits with them; listening to their shop talk over a cup of coffee when the shift is over; taking reams of notes on their work, their intimate problems, their dreams of a life more secure, their hopes for a world which their labour will have helped rid of Hitlerism.

Yes, in Sudbury "sinister forces appear to be planning a campaign of action which may lead to virtual sabotage...." But the "campaign" has already been launched, the "sabotage" is already being committed. Only the campaign is INCO's all-out drive to smash the free organization of the miners and smeltermen at a price no matter how high; and the sabotage is its direct result.

### *"Fear"*

During my stay here I was allowed the privilege of questioning a miners' meeting at the union hall. "How do you feel about the union and your work?" I asked. The men sat quietly, then a miner stood up, his face gaunt, his eyes blazing. "How do we feel?" he repeated. "At INCO the only feeling we're entitled to is fear." His answer was reflected on every face.

That, Sir, is Sudbury. A concentration camp of fear. Rather, that was Sudbury. The workers have trampled down the barbed wire. They are building their union to tear down fear and win the rights of Canadian citizenship that are lawfully theirs.

But INCO says the rights of citizenship do not apply in Sudbury.

INCO has told the recording secretary of the union, a skilled miner, smelterman and mechanic, that if he insists on remaining in the union he will have to trim bushes along the four-mile water pipe that runs into the Frood mine rather than produce metal for war.

INCO has told another union leader that if he refuses a bribe "to play ball....we will know how to deal with guys like you...."

INCO has told men frozen to their jobs by the Government "Either you get out of the union or you'll be in the Army by Feb. 15."

INCO has decreed that workers who join the union shall be demoted, hounded, persecuted.

### *Told At Last*

What about production? Ask the experienced casters in the copper refining department who last week were put to sweeping floors. Ask the experienced miners and smeltermen shifted to jobs where their skill is wasted because they are union men. Yes, and the giant of a man who tends a 315-ton copper refining furnace.

You met him during your visit. You shook hands with him, complimented him on his ability and performance. There were things he wanted to tell you. This week he finally told them.

"They introduced me to the Minister," he said. "But I could not say what was on my mind. Now I'm going to say it and you can put my name on it.



"My furnace is always half empty. Four years ago we had so much work we had to send some of it to the United States. During the last four days I handled only 250 tons. I can say we're using only one-third of our copper refining capacity and no more—and you can put my name on that."

I can't "put his name" on it. He has a family and needs his job. But his name, and the names of many others who have similar stories to tell, can be supplied.

### *Not Free Men*

The leader of your Government, Sir, has time and again advanced the proposition that only the efforts of free men, fired by the vision of their democratic institution, are equal to the task of destroying the Axis enemy. I regret to report that INCO has ruled otherwise.

INCO has ruled that there are no free men in Sudbury. In the shadow of its stupendously wealthy, stupendously powerful empire, the laws taken for granted in other parts of the Dominion are non-existent when INCO desires that they be non-existent. Sudbury, with its 35,000 human beings, is merely a cipher in INCO's calculations of profit and loss.

Let me give one illustration.

The mining and smelting of nickel and copper is not a tea party. It is a rough and tough battle. Injury and death lurk underground and above the ground. Sometimes the weapons it helps create have already been bloodied before they reach the hands of our soldiers. There are few INCO workers who do not end years of service without being minus a finger, a toe or some other disability.

Now the law provides that injuries resulting in loss of work shall receive compensation. In Sudbury, according to the first-hand evidence of INCO's employees, that law is practically invalid. I have personally interviewed men who declared they had been seriously injured but had not applied for compensation for fear of being fired. INCO doesn't like injured men to apply for compensation, because every case reported automatically raises the amount of money the company has to pay annually to the Workmen's Compensation Board.

### *Cases Cited*

There are many cases I could cite. I will give only two.

The first is that of a miner who had 250 pounds of steel fall on his back while he was at work. The company doctor said he had merely suffered several broken ribs, taped him up and sent him back to work, on what is called light duty. Last week he went to a private doctor, who told him he had suffered a broken back and would have to enter the hospital immediately to have it broken again and reset properly. As this is being written he may already have undergone the operation.

I can't give his name; the mere mention of it would mean he would never again find employment in this district.

### *"Never, You Bohunk—"*

The second case is that of a Lithuanian—born smelterman with nine years' service for INCO. Working under difficult conditions, he was one day seized by sheer fatigue, fell on hot slag and split his forehead. He spent several weeks at the hospital as a compensation case.

When he returned to resume his work, his superintendent roared: "Never, you bohunk b--! You've broken my record." (Every boss gets a special bonus if there are no compensation cases among his workers.)

The smelterman's name was Charles Rasavicius. I can give it freely, for INCO will never again blackball him. Three months ago he went up to the union office, paid five months' dues in advance, then went home and hanged himself in his cellar. Full details on his case rest in the union's files.

### *Short of Metals*

The other day a representative of your Department, E. Stenning, told a trade union conference in Toronto: "We will have to have a 50 per cent increase in our over-all production program for next year. . . We face shortages of vital metals. . . We've got to save thousands of tons of copper and eliminate hundreds of machine tools. We need the help of every man and woman in industry."

That is why this letter had to be written. That is why the nickel and copper workers must be heard. That is why INCO's untold resources must be brought fully into association with the national war effort rather than used for the arbitrary domination of this district and its populace.

The copper refiner who wants you to know his furnace is half empty in a crucial stage of the war; the open pit workers who witnessed the hoax of the broken ore crusher; the smeltermen who work for Canada in swirling dust and gas; the miners whose suggestions are treated with contempt and who know the bitterness of discrimination and inadequate pay—these are the ones who can make possible the program set forth by your Department. They ask only that they be allowed to do so. They can do so only if the democratic Canadian institutions kept out by INCO for many long years be brought back to this part of the Dominion.

There are over 12,000 of them—staunch, loyal, determined to do their share despite every provocation and insult. They are building their union to win security, to rid Northern Ontario of the fear that has been INCO's chief weapon, to bring INCO 100 per cent into the war against Hitler.

Their loyalty doesn't need fake demonstrations, doesn't ask tax remissions or special favours. Their fight is the fight of all Canadians working for Victory.

Sincerely yours,  
R. S. GORDON,  
Sudbury, Ont.

At Trail, B.C., the miners and smeltermen of the Consolidated Mining and Smelting Company face conditions similar in many respects to their fellow unionists at Sudbury. There, too, a company union is being used in an attempt to deprive the workers of collective bargaining rights. But there, too, the old set-up of the company town and the open shop seems doomed.

Thousands of miners and smeltermen at Trail and neighbouring communities are joining the Mine, Mill and Smelter Workers' Union, and union officials are confident they will be able to prove a majority in the near future. Yet the company union, under the leadership of Mr. S. G. Blaylock, Consolidated's manager, is carrying on a vigorous campaign against the new union.

Mr. COHEN: I do not know whether I am right or wrong about this, but there is some question in my mind about the Consolidated Mining and Smelting Company. There was a vote conducted there. Do you know about that?

Mr. MORRIS: Yes, the vote in Trail was conducted by the company union and the union charges that as a result—

Mr. COHEN: Conducted where, or how?

Mr. MORRIS: At the plant.

The CHAIRMAN: At Trail?

Mr. MORRIS: Yes. It was conducted by the company union, that is, the association that is charged here as being a company union. They found a majority of less than 100 employees in the plant. The union protested it at once to Labour Minister Pearson, and they are preparing to take a vote under the Labour Department of British Columbia.

The dangers and purpose of the company unionism that has been boomed by hold-out employers were amply demonstrated at the hearings of the Ontario Legislature Select Committee on Selective Bargaining.

Company union members from Kirkland Lake, Hamilton, Sudbury and other industrial centres—some of them mentioned in the foregoing—appeared before the committee in an attempt to make out a case for themselves. But the evidence was overwhelming. So overwhelming, in fact, that the Hon. James Clarke, speaker of the Ontario Legislature and chairman of the committee, finally interrupted a trade union submission to state that the case against company unions had already been established and required no further argument.

The evidence is quite clear by now," he said. "It has been established that numerous companies are not at all interested in any union until the international union comes in, when they suddenly become very enthusiastic about company unions."

This recognition of the nature of company unionism is also contained in the collective bargaining bill enacted by the Ontario House on the recommendations of the Select Committee. The Ontario Act rules that "collective bargaining agency," within the meaning of the Act, "shall not include any such union or association the administration, management or policy of which is dominated, coerced, improperly assisted or improperly influenced by the employer in any manner whether by way of financial aid or otherwise.

Mr. COHEN: You are putting that forward?

Mr. MORRIS: Yes, except that you have the word "improperly".

Mr. LALANDE: That is to give the lawyers some room for argument.

Mr. MORRIS: Yes.

### *The Need for Federal Compulsory Collective Bargaining Legislation*

The absence of collective bargaining legislation and adequate enforcement machinery at Ottawa has made possible the discrimination and company unionism of which we have spoken. It must be held responsible for most of the unrest and ferment in industry, permitting as it does, violation of every principle proposed by the government, through P.C. 2685, as a basis for wartime labour relations.

Labour has been hammering away at that point since the beginning of the war.



I was talking of the war only in the sense that we are trying to prove here the need for special wartime legislation. The trade unions have made this demand before the war.

It has urged legislation and a comprehensive code in all its submissions to the cabinet, at all its conventions. It did so particularly at the Trades and Labour Congress convention last August at Winnipeg, and at the Canadian Congress of Labour convention last September at Ottawa.

A. R. Mosher, Canadian Congress president, told the annual gathering of his organization:

"The chief defect in the government's labour policy has been its failure to protect the right of workers to organize freely and bargain collectively with their employers through representatives of their choice."

And again:

"The adoption of a sound labour policy by the federal government... would reduce to a negligible minimum any serious labour disputes. Organized workers are no more unreasonable than any other group of Canadian citizens, and if they are treated fairly, and if they are given protection and recognition of their rights, I am confident that they will gladly accept and observe every obligation which their rights imply."

The Trades Congress convention proceedings were marked by resolutions and statements of a similar nature. Similar demands, too, were voiced by Quebec labour on a number of occasions last year when the Montreal Trades and Labour Council called on the federal government "to investigate the situation in Montreal and to take immediate measures to correct the grievances existing regarding discrimination against patriotic Canadian workers by anti-union employers."

Despite the Trades Congress's appeal the situation went from bad to worse, causing anxiety outside of the province of Quebec as well. Thus Percy Bengough, acting-president of the Trades and Labour Congress, joined with the Montreal Metal Trades Council (A.F. of L.) at a mass meeting last December to protest against the government's labour policies.

The attitude of the protest meeting was unmistakable. Robert Haddow, Grand Lodge representative of the International Association of Machinists, put it this way:

"Over the production front, like a threatening cloud, there hangs a grave and dangerous menace. That menace is the labour policy which Mr. King's government can and must alter, with determination and all possible speed, to bring it into line with the realities of the situation, and to make it conform to the demands of total war against the axis."

The need for compulsory collective bargaining legislation has the support of the wide public, as evidenced at the hearings of the Ontario Select Committee on Collective Bargaining and the tremendous number of petitions that poured in on it. It has also been indicated, we submit, by the enactment of a collective bargaining bill by the Ontario Legislature; by the recent amendments to the British Columbia Industrial Arbitration and Conciliation Act, and by the move to introduce a labour bill at the next session of the Saskatchewan Legislature. These steps undoubtedly reflect the growing appreciation of the need for stabilization of labour relations by legislation.

The United Church of Canada and the Church of England Welfare Council have constantly been on record for the same thing.

Ontario Labour Minister Heenan told the Ontario Select Committee set up to deal with the matter (in March) that refusal of employers to deal with unions of their employees' choice has been and continues to be one of the main causes of labour disputes. He followed this up with a warning that disputes and industrial unrest are increasing, instead of diminishing, and that legislation is needed, accompanied by enforcement machinery, to make collective bargaining operative quickly and efficiently in cases where employers stand out against it and thereby undermine harmonious industrial relations. Our columns show that on no other issue recently has such wide interest been aroused in the Ontario labour movement as around this Bill.

It must not be thought, however, that the legislative developments on a provincial scale make it unnecessary to act in the federal field.

Existing labour legislation as between the provinces is very uneven and cannot be a substitute for a comprehensive national policy based on federal law. What is needed is a unified code, establishing standard practices and bringing to an end a situation where practices outlawed in one part of the country are permitted in another.

Furthermore, the recent judgments of government boards themselves emphasize the need for a national approach to the whole problem. Thus, if aircraft is a national industry, and if basic steel must similarly be dealt with on a national basis, it is obvious that only federal legislation can in the final analysis be most effective.

This has in fact been the contention of organized labour, and of the very government leaders responsible for the introduction of the Ontario Collective Bargaining Bill.

Thus Ontario Labour Minister Peter Heenan, who campaigned for the Ontario Bill, last week told this inquiry that provincial legislation was not enough, that federal legislation was needed.

In the same way, even as the Ontario bill was being prepared for presentation to the provincial legislature, the Premier of Ontario declared in Kingston, in an address to the Chamber of Commerce on January 29:

"If we are to have industrial peace, more than the services of the Ontario Minister of Labour and his officials and the facilities of the government of Ontario and the Collective Bargaining Act of this province is necessary.

"What is further required can only be supplied by the Dominion Government. What we need is a new spirit of relationships between management and labour and government—a new labour code for the Dominion of Canada.

"We must have a code of integrity, of fair dealing and of appreciation of the viewpoint of the other fellow that will avoid strikes and make the stoppage of industrial production, particularly in war work, a thing of the past."

Hearing adjourned until 2.30 p.m.

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Pursuant to adjournment the hearing was resumed at 2.30 p.m.

Mr. MORRIS: To continue, Mr. Chairman:

### *Labour's Fight for Production*

We have dealt at length with typical cases of discrimination, company unionism, anti-labour practices and the inadequacies of government labour policy as they appeared in our paper. What must now be emphasized is that despite the unfair and often discriminatory treatment it has received,

labour has not only done a magnificent job but has in fact led the fight for production—at times, when even the co-operation of employers and government was lacking.

No more straightforward tribute to the patience, perseverance and patriotism of Canada's workers has been made than in the statement of H. J. Carmichael, Co-ordinator of Production for the Department of Munitions and Supply, as published in *Industrial Canada*, organ of the Canadian Manufacturers Association, in November, 1942. Here are Mr. Carmichael's words:

"I think that Canadian labour is entitled to a great tribute from all of us...when you figure the regulations, the freezing of wages, the freezing in their jobs, and many other things that they have been forced to accept.

"We talk about the freezing of salaries and about income taxes. I frankly believe that the sacrifices that our workers have been asked to make are far beyond those that we have been asked to make as leading manufacturers.

"This puts a desperate responsibility up to us to see that in all our relationships we enter into a new high sphere of thinking...get together, and get to know them." (*Industrial Canada*, November, 1942.)

This quotation when printed in the *Tribune* caused a great deal of favourable comment.

It is no accident that the Canadian trade union movement was the first to press for the setting up of labour-management production committees as a means of strengthening co-operation for greater output. Aircraft Lodge 712 of the International Association of Machinists was responsible for the establishment of the first such wartime production committee on the continent, some time before they became part of the official policy of the United States administration and long before they were officially accepted by our Federal Government.

In Toronto the first labour-management production committee was set up in March, 1942, in a plant organized by the United Electrical, Radio and Machine Workers, at the initiative of the union. And the same union followed this up by proposing a joint production plan at the large Small Arms plant, even though at that time the union was prevented from entering into bargaining relations with the management of the government-owned plant because of the government's policy, which was later changed as we have shown.

The joint production plan worked out at Small Arms was sent out to Canadian employers in 10,000 copies by Production Co-ordinator Carmichael.

In August, 1942, the United Steelworkers won establishment of a joint committee at the Sydney plant of Dominion Steel and Coal Company. Our paper published a feature spread describing the good results achieved there. In this manner, trade union organization has been an incentive to production, not only because democratic collective bargaining is the foundation for industrial harmony and co-operative relations, but by direct initiative.

A remarkable case in point is found at the government-owned Malton plant of Victory Aircraft. The plant was formerly owned by the National Steel Car Corporation. Under National Steel Car management and ownership the plant was a model of anti-union policies and poor production. Last November, after protests had been lodged at Ottawa by Lodge 717 of the International Association of Machinists, the government investigated and found cause to take over the plant.



In December the Crown company signed a collective contract with the aircraft union. On December 19 the *Tribune* hailed the agreement under this banner heading: "NOW SEE THE BOMBERS ROLL OUT AT MALTON!" The *Tribune* welcomed the agreement as a victory for workers, management and government, and confidently predicted the new labour-management relations would bear fruit in increased production. The prediction was justified, for a few weeks ago we were able to report that production of a certain type of plane at Malton had risen from one or two a week—before the collective contract was signed—to the figures of 23, 24 and 25 a week after its conclusion.

Similarly at the Verdun D. I. L. plant. After union-management relations were established, the manager wrote the union a congratulatory letter stating "I would like to take this opportunity to thank the union officials and members who assisted in making January the best month we have had yet.... Our results for this month indicate quite clearly what can be accomplished by pulling together..." The manager wrote further that the production quota for the following month had been doubled, but that with the co-operation of the union "we will not fail to make the deliveries of ammunition that are expected of us."

Last fall, Hon. C. D. Howe, Minister of Munitions and Supply, told members of the United Automobile Workers that the government approved of the principle of labour-management production committees and would press for their introduction. But little was done. This past March the Department of Labour announced the setting up of an Inter-Departmental Committee on Labour-Management Production Committees. The move was welcomed by labour, and representatives of both congresses sit on the advisory body to the committee.

However, few signs come to the *Tribune* of effective measures of push labour-management co-operation for greater production on the necessary scale. Although the Minister of Labour has announced 631 joint committees are now in existence, it is obvious that the basic war industries have not yet been tackled to any appreciable degree.

The United Mine Workers union in Nova Scotia and in the west has urged establishment of joint committees in the coal mining industry. But despite the critical situation with regard to coal no such committees are in existence. In the basic steel, electrical and other plants in Hamilton there are no joint committees. And the same holds true in the ship-yards, in the metal mines of Sudbury, Ont., and Trail, B.C., and on down the line.

### *Wages and Prices*

Our paper reports widespread dissatisfaction with section 25 of P.C. 5963. Despite the assurances of the Minister of Labour to the Canadian Congress of Labour Convention that wages are not frozen, it seems that the terms of section 25, by restricting increases in wages to "the same or substantially different jobs, positions or occupational classifications in the locality, or in a locality which in the opinion of the Board is comparable" actually restricts the comparison to prevailing rates, for it is known that there is no such wide disparity in wages paid for similar work as provides a basis to lift sub-standard wages to decent levels.

Sub-standard wages have their own special causes. They are to be found in industries where women workers predominate, as in textiles, or where certain historical conditions prevail as in Quebec, which by no means can be defended as contributing to the war effort. Yet, with what comparable locality would the Board judge Quebec textile wages; another Quebec locality of Toronto, for example?

Peace-time wage grievances inevitably persist in wartime, and it is the feeling of the workers, from our experience, that the settlement of these special grievances by giving wider powers to the Board, far from leading to inflation, will encourage war production, improve morale, more democratically share out the growing national income (by which Canada is replacing its productive powers every two and a half years, at present rates) and encourage anti-inflationary wartime savings, which the workers enthusiastically support.

Mr. LALANDE: I do not quite understand your reference to the growing national income "by which Canada is replacing its productive powers every two and a half years, at present rates." What do you mean by that?

Mr. MORRIS: It is arrived at by comparing a total Canadian annual production of \$6 billion with the present estimated value of productive capacity of \$18 billion. This is a remarkable acceleration of production; it amounts to an increase of between two and a half and three times. It is a rough estimate.

Great interest was aroused among our readers by the publication of a speech made in New York last winter by Dr. Bryce Stewart, former Deputy Minister of Labour and Vice-Chairman of the National War Labour Board. Dr. Stewart's pointed remarks about the need for "levelling-up wage rates" and about the objective of "holding the highest wage rates for any occupation in a given area and to permit other rates in essential employment to gravitate towards that ceiling as necessary" are appended here as they were published in the *Tribune* of Jan. 2 last:

Saturday, January 2, 1943.

*Where was Dr. Stewart All the Time?*

*His Speech in New York at Odds with Acts Here.*

A few weeks ago, Dr. Bryce Stewart, Canada's Deputy Minister of Labour, addressed the Manpower and War Labour Conference of the American Management Association in New York on the subject "Wage and Manpower Controls in Canada".

In the course of his address (as quoted in the *Ottawa Citizen*), Dr. Stewart made some observations in regard to wage and manpower controls which are especially interesting in view of the position held by their author and the record of wage control in Canada during the last year or so.

The pertinent part of Dr. Stewart's speech is as follows:—

#### *Not Inflexible*

"Perhaps some observations on the Canadian experience with wage and manpower controls may be in order. Those with reference to the wage control policy are as follows:

1. A wage control policy cannot be inflexible. The objective should be to hold the highest wage rates for any occupation in a given area and to permit other rates in essential employment to gravitate toward that ceiling as necessary.

2. The levelling-up of basic wage rates cannot be prevented. When employees have many opportunities, other factors being equal, they will take the best-paying jobs available. If the production of low-wage plants is essential, the workers must be given higher wages to retain them. The injustice of freezing workers on jobs at lower pay than they could have

elsewhere and especially of forcing them to remain on sub-standard rates cannot be contemplated. In the absence of any such freezing, the workers will go on strike and the employer will have to capitulate.

3. When in this levelling-up process an establishment essential to the war effort is unable to meet the increased costs, it should be subsidized by the government; but the subsidizing agency should have authority to rationalize such establishments and industries.

#### *Top Rates As Anchors*

4. The country should be divided into zones, and the top rates in the different zones for a given occupation should be compared. The highest rate of all zones should be held, and the top rates in other zones raised toward it—if necessary to a point where there will be little inducement for workers to migrate between zones. These adjusted top rates for each zone should be held as the anchorage of the wage control system. Lower rates should be permitted to gravitate to that level as the conditions necessitate. New top rates, higher than in any other zone, may have to be established on employments in remote areas with primitive conditions in order to recruit the necessary workers.

5. In this process it must be accepted that the wage rates of the lowest-paid occupations will increase generally more than those of the highest-paid. A greater proportion of employees in the lower brackets are young, are not heads of families, and are more migratory and more easily transferable than the higher-paid skilled employees. A greater number of them also will be receiving indefensible substandard rates.

6. Below the top rate determined for each occupation, a minimum should be set, wherever practicable, to establish a range of rates for the job. This will facilitate the breaking down of jobs, the upgrading and promotion of employees necessary to expand the force by the addition of inexperienced male workers and women.

7. Job classification and evaluation become increasingly important to ensure that similar skills are on parity of pay and thereby to reduce quitting.

8. All wage rates should be fixed as of a given date, and no increases permitted except by authority or direction of the Wages Control Administration.

#### *Bonus for All*

9. A cost-of-living bonus related to the rise in the cost of living after the date on which rates of pay are fixed should be provided for all wage earners and all salaried employees receiving less than a specified salary. The bonus should be reduced proportionately as the cost of living declines. It should be a flat amount for employees paid at a stated rate per week and a lesser amount, derived on a percentage basis, for lower-paid employees, the great majority of whom will not be heads of families.

10. When transfer of workers to more essential production is necessary, if the new employment in another zone is at a lower rate than the former job, a differential wage allowance should be paid. Allowances to cover legitimate expenses incidental to any transfer should also be provided. Such temporary payments are much preferable to increases in basic rates.

11. The wages policy must be rigidly enforced. Both employer and employee must be compelled to follow it.

12. The question arises whether, as a supplement to the wage control plan, there must be standardization by industries at least of maximum



hours, regular full-time hours, the overtime hours that may be worked, overtime rates, Sunday and holiday rates, the number of statutory holidays and vacations with pay. Without such uniformity, differentials in these matters will induce labour turnover and migration."

### *Where Was He?*

It is hard to believe, when reading some of these points, that Dr. Stewart has been in a key position in regard to wage administration in Canada.

Not only has he been Deputy Minister of Labour since November 1, 1940—one year before the price and wage ceiling control was imposed—but he has been Vice-Chairman of the National War Labour Board, since January, 1942.

One of two things must be true—either Dr. Stewart does not agree with the way in which wage control is being administered in Canada (which may account for the fact that he is said to be resigning from the Department of Labour and returning to the United States), or else he is for some unaccountable reason not aware of what has been going on in this country during the last year or two.

To take a couple of the main differences between the wartime wage policy advocated by Dr. Stewart and that being put into effect in actual practice in Canada: in Point 4, Dr. Stewart recommends the levelling-up of rates for given occupations in different parts of the country. The policy of wage control has in practice tended to freeze differentials in wage rates in different areas.

In particular, there has been evidence of a desire to maintain the scandalously low rates of pay in Quebec instead of allowing them to rise towards the better rates in other parts of the country. This is being accomplished through the stubborn refusal of difference between Dr. Stewart's stated views and the policy actually in effect in Canada."

Mr. COHEN: I do not suppose you have any explanation of the fact that ever since Dr. Stewart assumed the position of Deputy Minister you find his speeches quoted by the unions. Have you any speeches before the change took place?

Mr. MORRIS: We have no Canadian speeches. This is a speech he made in New York. The point we make is that the speech definitely lays down a policy that generally would agree with the labour program.

Mr. COHEN: That is, he featured extending the zones.

Mr. MORRIS: He also makes a speech with regard to the bonus and the extension of the payment of the bonus.

Mr. LALANDE: The speech you refer to is the one quoted here?

Mr. MORRIS: Yes.

A good over-all picture of the problem of wartime low wages in Canada was published in the *Tribune* of Jan. 30, 1943. It shows that 60 per cent of the workers in Canadian industry are still receiving, after the deduction of taxes, "a weekly wage below government standard subsistence levels." The article is given herewith:

Saturday, January 30, 1943, *Canadian Tribune*.

### *War Production Faces Problem of Low Wages*

By Roger Grant.

More than 60 per cent of the workers in Canadian industry are still receiving, after deduction of taxes, a weekly wage below government standard level of subsistence.

Here is a problem that must be tackled in order to increase production. Labour management production committees can become the real "general staff" of the armies on the production front.

The production is one calling for immediate action by the Federal Labour Department. It should not be allowed to deteriorate into a condition engendering further disaffection among the workers. The government should take the lead in this, with the help of the trade unions, so that every available ounce of strength by every worker may be devoted to the production of war weapons. At a critical time like this, every production hour lost is as serious as a defeat on the field of battle.

### *Place Victory First*

Canadian labour is ready and willing to make all necessary sacrifices for the defeat of Hitlerism and fascism. In spite of the low-wage record (details of which can be found in the chart on the opposite page) one out of every 2.7 workers in Canada last year bought Victory Bonds. The unions have renounced the policy of strikes. But this does not give individual industrial managements or the government carte blanche to take advantage of the emergency to ignore the problems of the wages and working conditions of workers who place the winning of the war foremost.

It is, or course, perfectly true that the total national income of Canadian workers is higher than it was in 1939. It is also true that the average wage of all people working in Canada is higher. But when these figures are broken down into wage groups ranging from \$500 per year to \$3,000 and over, it can be shown that out of the nearly 3,500,000 workers engaged in industry in Canada in 1942, more than 60 per cent received less after taxation than the level of subsistence established by the Dominion Bureau of Statistics and by the Toronto Welfare Council.

For instance: In the Maritime provinces in 1942 there were close to 250,000 workers engaged in industry. This includes heads of families, non-heads and females. Of this number over 190,000 could not purchase the minimum standard of living. Wages paid in the Maritimes are the lowest in Canada and there is thus some justification for the recent complaint voiced in the *Halifax Chronicle* about the poverty of Canadian provinces other than Ontario and Quebec. In Quebec, some 750,000 out of a million workers do not get a living standard income; in Ontario it is 850,000 out of nearly a million and a half.

### *\$10 Weekly Deficiency*

In the face of persistent attempts to show that the standard of living in Canada is higher now than it was in 1939, it can be shown that in every province, 60 per cent of wage-earners who are heads of families are further below minimum standards now than they were immediately before the war, due for the most part to higher living costs and higher taxation. The average family in Canada numbers 4.6 persons and the minimum budget required varies between \$27 and \$28 per week. In the Maritimes, the average deficiency for more than 80,000 heads of families is over \$11 per week. In Quebec it is \$10; Ontario and the western provinces show approximately the same, varying about \$1 per week.

The question will, of course, be asked, "Would it not be inflationary to raise the wages of so many workers to subsistence level?" No. A more equitable distribution of present national income through a scaling

down of profits, and a more determined forcing down of the cost of living, an adjustment in taxation, would go a long way toward solving the problem. That increased net profits are being made was shown in a recent survey made by the Bank of Canada (and published in the *Tribune* of January 9) of 484 corporations controlling more than two-thirds of the industrial wealth of Canada.

### *The Index is Wrong*

Another situation that contributes to the increased burden of the lower income groups and which demands immediate improvement, is the method used in arriving at the cost-of-living index upon which is based the cost-of-living bonus paid on lower wages. This budget (see box on this page) is based on a considerably higher income than would be the average of wage earners in Canada at that time (September 1938). This means that the proportion allowed for food is almost certain to be lower than would be the case in the majority of wage earners' families. Since food prices are the most flexible of all prices, the result is that the index would not reflect as much variation in the cost of living as would actually occur in the average wage earner's family budget.

The index also includes goods and articles no longer available and does not make provision for substitutes which may be more expensive. Likewise, the index applies to all regions in Canada as a "national" index. As such it does not permit changes for regional fluctuations.

It is obvious, of course, that many workers are better off in 1942 than they were in 1939—especially the 1,000,000 or so who were unemployed in that year. But to say that they are "better off" is not to assume that we can ignore the fact that many of them still receive less than a minimum standard wage. A further factor upon which there are no figures available anywhere is the number of people per family who are now working but who were dependent in 1939.

Obviously the number has increased considerably over the entire nation; but here again, the main argument remains—that substandard wage rates are all too prevalent.

Finally, in spite of government decree, it is shown in the accompanying table that "equal pay for equal work" for females is still not truly established. Males who are not family heads in every province receive higher wages than females, although the differential is not great. In Quebec, for instance, 83 per cent of female workers receive \$3.60 less than the minimum requirements, whereas in British Columbia, while female workers receive the highest wages in Canada (averaging \$14 per week), 70 per cent are \$3.30 below standard. For Quebec, this undoubtedly is the reason for the lower health standard of female workers as reported in a recent survey of Canadian industry.

Without going into all the details here on the method used in arriving at the accompanying table, it should be said that the figures are based on the following: First bulletin on "Occupations and Earnings" in the Eighth Census of Canada. This bulletin shows a 10 per cent "hand count" of the number of wage earners 14 years of age and over, classified according to sex and in the case of males to heads of families and non-heads, the number of each class in each earning group and by economic regions for the year ending May 31, 1941. In the "hand count", the Dominion Bureau of Statistics researchers examined wages and salaries of all workers in every tenth electoral district in Canada.



For the number of workers employed, the D.B.S. Survey of the Employment Situation was used with the number of workers employed in 1941 being set at 100.

Dominion Bureau of Statistics figures and tables from *Canada Year Book* were used in arriving at average wages. For the Minimum Budget, the D.B.S. Cost-of-Living Index and the figures issued by the Toronto Welfare Council were utilized.

With certain material unavailable, it cannot be said that the figures in the table are accurate to the last figure. But wherever it was necessary to estimate, the most conservative figures based on other trends were used. If anything the income figures shown are higher than actually received by the workers in 1942.

### *Cost-of-Living Index*

The index is based on a study of the expenses of 1939 families in twelve cities during the year ending September, 1938. The families were chosen at random, from families picked by the Dominion Bureau of Statistics as being representative, from about 50,000 homes visited by the field staff of the bureau. The families average 4.6 persons and their incomes ranged from \$1,200 to \$2,500 per annum, but incomes between \$1,200 and \$1,600 were most common in the group. Average income in the group was \$1,414. As a result of study of the expenses of these families it was decided to base the cost-of-living index on a budget distribution as follows:—

	Per cent
Food .....	31.3
Shelter .....	19.1
Fuel, light.....	6.4
Clothing .....	11.7
Furniture .....	8.9
Miscellaneous:	
	Per cent
Health .....	4.3
Personal care.....	1.7
Transportation .....	5.6
Recreation .....	5.8
Life insurance.....	5.2
	— 22.6
	<hr/> 100

TABLE ON WAGES

	Total Number of Workers	Average Wage After	Income Tax Minimum Budget	Workers Re- ceiving less than Minimum Budget	Average Wage of those Receiving Less	Average Deficiency	Workers Re- ceiving more than Minimum Budget	Average Wage of those Receiving More	Average Excess
<b>MARITIMES HEADS</b>									
1939	86,574	\$ 22.36	\$23.93	71,039	\$ 12.60	\$ 11.33	15,535	\$ 66.97	\$ 43.04
1942	110,029	23.99	27.05	82,952	15.50	11.55	27,077	50.01	22.96
<b>NON-HEADS</b>									
1939	64,590	11.00	12.02	49,092	7.37	4.65	15,498	23.81	11.79
1942	82,089	12.68	13.58	62,399	9.61	3.97	19,690	22.39	8.81
<b>FEMALES</b>									
1939	43,384	8.76	11.38	38,155	7.27	4.11	5,229	19.67	8.29
1942	55,138	10.78	12.86	48,492	9.52	3.38	6,646	20.05	7.19
	247,256			193,843					
<b>QUEBEC HEADS</b>									
1939	349,941	30.45	24.07	256,970	14.73	9.24	92,971	73.92	49.85
1942	462,584	30.53	27.61	291,696	17.61	10.00	170,888	52.59	24.98
<b>NON-HEADS</b>									
1939	260,003	12.73	12.09	173,441	7.66	4.43	86,562	22.88	10.15
1942	343,695	14.02	13.86	229,264	9.91	3.95	114,431	22.23	8.37
<b>FEMALES</b>									
1939	207,675	9.41	11.45	172,403	7.53	3.92	35,272	18.57	7.12
1942	274,524	11.19	13.13	227,898	9.52	3.61	46,626	19.38	6.25
	1,080,803			748,858					
<b>ONTARIO HEADS</b>									
1939	494,617	35.28	25.46	318,896	15.71	9.75	175,721	70.80	45.34
1942	655,017	34.53	28.89	340,640	18.31	10.58	314,377	51.91	23.02
<b>NON-HEADS</b>									
1939	317,202	14.27	12.78	191,729	7.70	5.08	125,473	24.15	11.37
1942	420,065	15.19	14.50	253,899	9.97	4.53	166,166	23.17	8.67
<b>FEMALES</b>									
1939	263,439	11.53	12.13	187,149	7.89	4.24	76,290	20.45	8.32
1942	348,868	13.21	13.75	247,834	10.19	3.56	101,034	20.65	6.89
	1,423,950			842,373					
<b>PRAIRIES HEADS</b>									
1939	141,149	32.03	24.54	99,584	14.02	10.52	41,565	75.19	50.65
1942	166,954	31.30	27.39	100,678	16.46	10.93	66,281	53.81	26.42
<b>NON-HEADS</b>									
1939	92,570	11.50	12.32	69,972	7.21	5.11	22,598	22.79	12.47
1942	107,963	12.87	13.75	81,608	9.46	4.29	26,355	23.44	9.69
<b>FEMALES</b>									
1939	82,390	9.85	11.67	65,666	7.53	4.14	16,724	18.88	7.20
1942	96,091	11.77	13.03	76,584	9.80	3.23	19,507	19.54	6.51
	371,008			258,870					
<b>BRITISH COLUMBIA HEADS</b>									
1939	103,911	29.98	24.49	70,673	15.09	9.40	33,238	61.63	37.14
1942	148,068	30.85	27.68	84,005	17.78	9.90	64,063	47.99	20.31
<b>NON-HEADS</b>									
1939	75,912	14.26	12.30	43,031	7.73	4.57	32,881	22.82	10.52
1942	107,946	15.30	13.91	61,187	9.97	3.94	46,759	22.28	8.37
<b>FEMALES</b>									
1939	43,799	10.85	11.65	30,826	7.61	4.04	12,973	17.71	6.06
1942	62,411	14.37	13.17	43,925	9.86	3.31	18,486	25.08	11.91
	318,425			189,117					

By subsistence levels we mean—

The CHAIRMAN: Twenty-five dollars.

Mr. MORRIS: Below twenty-six dollars. By subsistence level we mean the income which forms the basis of the cost-of-living index. We mean the \$1,493 expenditure of the typical family.

Mr. COHEN: \$1,414 is the figure you used. How was that arrived at? Was it after the deduction of taxes that you reached the calculation that 60 per cent of the workers received below that wage of \$1,414? Does your review indicate what the cost is in the actual sense before you start to take off taxation?

Mr. MORRIS: No; the figures we have are based upon incomes after the deduction is taken off. To find such social pictures as wages requires a great deal of digging.

Mr. COHEN: You must have done some digging and if you are able to get the facts from an authentic source and say that 60 per cent of the workers are receiving wages below the level, you must have some figures which give the result before taxation. If you have them here or somewhere else I should like to see them.

Mr. MORRIS: It would help the point we are trying to make as to the actual purchasing power.

Mr. COHEN: I should like to know just how that resolves itself before the taxes are taken off.

Mr. MORRIS: The figures on the back of this printed sheet were taken from tables compiled by the Dominion Bureau of Statistics and from Toronto Welfare Council. They are both in there. For example you have the figures for 1939 in Quebec of 207,675 female workers; in 1942, 274,524.

We published in the same issue of the paper figures from the *Financial Post* to the effect that over one million Canadians earn less than the steelworkers. The *Tribune* said, "Out of about 2,100,000 insured workers, over 55 per cent or about 1,150,000 earn less than \$25 weekly. Agricultural and seasonal workers are not included, otherwise the average would be much less. The other 45 per cent of the insurance workers earn from \$26 to \$38.50 weekly".

Mr. COHEN: I take it the term "insured workers" refers to the unemployment insurance scheme?

Mr. MORRIS: Yes.

Mr. COHEN: I think you did say a moment ago what was the basis of this table.

Mr. MORRIS: The cost-of-living index of the Dominion Bureau of Statistics and figures put forward by the Toronto Welfare Council, as the living standard.

Mr. COHEN: I take it the Toronto family welfare figures were used to establish the minimum budget. That is based on the Toronto figures.

Mr. MORRIS: The one on the front is Dominion Bureau of Statistics figures. We agreed that it would be fairer than the Toronto figures, which are slightly less.

Mr. COHEN: This is not the \$1,414?

Mr. MORRIS: Yes, we carried it upwards in the interest of fairness because the Toronto figures were quite alarming.

It is interesting to note here that the *Financial Post* quoted figures such as these to "prove" the necessity of turning down the request of the steelworkers for 55 cents an hour basic wage, for fear the request for the raising of substandard wages might become too general.

Figures quoted by the *Tribune* from "*Canada 1943*" published by the authority of Hon. James A. MacKinnon, Minister of Trade and Commerce,



give a good general picture (although incomplete) of the disparity between wages in Montreal and Toronto. On page 116 the following figures are given for 1940 manufacturing industries:

City	Establishments	Employees	Salaries and wages	Value of products
Montreal.....	2,519	118,774	\$138,118,813	\$604,806,394
Toronto.....	2,911	112,136	145,538,148	595,913,172

Noticeable here, as backing up the claim that low wages are paid in Quebec, is the fact that with 6,500 more employees in manufacturing than Toronto, Montreal's salary and wage bill is almost \$7½ millions less than Toronto's although the value of Montreal's products is \$9 millions more.

Mr. COHEN: The question of raw material might come in there. You might find in some industrial projects that labour in Quebec is being employed to work on raw material which would cost more, which in turn would involve a greater value for the product.

Mr. MORRIS: Yes, I think it could be broken down.

Mr. COHEN: It would be helpful if instead of confronting us with a calculation of that sort you had industry producing a similar production in Quebec and in Ontario, and gave the total value of the product, the total of wages, and so on.

Mr. MORRIS: That could easily be obtained during this inquiry.

These figures exclude the small towns with less than \$20 millions annual production, as well as such concerns as Arvida and such industries as logging, fishing, et cetera.

The injustice of striking national averages to determine the cost-of-living index is often remarked upon by our readers. Just as the "average wage" serves to hide the truth about substandard wages, so the "average" cost-of-living index hides the truth about the real prices as they bear upon substandard wages. Regional indexes are required. There is not the slightest desire among the workers to avoid wartime sacrifices and responsibilities, but rather the desire is widespread to remove all economic penalizations which detract from the workers' abilities to engage to the full extent in wartime production, and which retard their participation in national unity.

If I may interject a remark, it might be interesting if the board at some time could go into the matter of industrial fatigue, which is becoming a problem to some wartime industries.

Mr. COHEN: Do not invite the board too strongly on that point.

Mr. MORRIS:

It is our experience that the "average worker" is largely the creation of statisticians. For example, even the establishment of a regional system of estimating the cost-of-living index would not assist the worker who is paid below \$26 weekly, if his wage is distorted by the "average picture" drawn of wages "in general" in his locality. Workers buy food and rent houses with actual, not "average" dollars, and their actual dollars are those contained in the pay envelopes they draw.

That is a very general statement, I admit, but it can be enlarged upon.

In this connection, when the *Tribune* reported the change in the application of section 34 of P.C. 5963 which makes it possible for your Board to eliminate what may have been injustices in the awarding of a cost-of-living bonus where wage increases had been granted since August, 1939, the reaction of our readers was one of warm approval. This is a small but valuable example of how both the trades unions and

unorganised labour react to any sign of progress, no matter how small, which is made in the application of government policy or in that policy itself.

### *Conclusions*

Much more could be said on this involved, yet strangely simple, matter of labour relations within Canada at war. I should like your forbearance to summarize what conclusions have been forced upon our paper as the result of its wartime experiences.

It seems to us that no piecemeal method of dealing with labour-employer relations, which are the essence of the relations of labour to the war effort, can begin to deal with the question in the way that the war demands. Neither can the hopes of the Canadian people about a better post-war world be given substance now when they are called upon to make supreme sacrifices, other than by the construction at this time of a modern system of labour laws which will stand up in the post-war period of reconstruction and readjustment. Just as the select committee on post-war reconstruction is finding it necessary to thoroughly review Canadian institutions, and the select committee on social security is facing the need to probe social security and health services to-day, so must this be done, it seems to us, in the field of labour laws.

In fact, it seems clear that unless there is an adequate code of labour to meet new conditions produced and accelerated by the war, there cannot be any suitable organization of social security, post-war health, or even the demobilization of Canada's armed forces after the victory, especially when it is remembered that the men and women in uniform come in the main from the working classes and must be reabsorbed into industry.

The honourable Chairman of this Board asked the following question when he announced the scope of the inquiry:

"Should any legislative action be adopted as a war measure only, under the authority of the War Measures Act, or should it be implemented in any way by legislative action with a view to extending any of these principles into the post-war period?"

Our answer to that question is plain: Anything that can be done with speed in the present period to reform wartime policies in line with the unanimous requests of the labour movement, should be done under the War Measures Act. This is urgently needed because time still works for Hitler, and because to delay instituting these reforms, or to risk constitutional difficulties which can perhaps make of them legal niceties instead of urgent practical measures, will cause further rifts in national unity.

Yet, at the same time, wartime controls in respect to labour laws should as speedily as possible be translated into parliamentary statutes, lest the fear grow among the working people that as soon as peace comes, labour policies will relapse into the unsatisfactory state they were before the war.

The CHAIRMAN: Just on that point, I do not intend to comment on the value of the particular acts, but you have in British Columbia a collective bargaining act; you have the new one in Ontario, and for Saskatchewan and so on. I take it that after the war, except perhaps with respect to industry which constitutionally comes under federal jurisdiction, judging from the remarks of some of the provincial men who were here last week, representatives of the various boards, and the Labour ministers, they consider that their

existing machinery should be used in carrying out any idea which may be put forward at the present time. Whether that could be made a fact, or whether they should be disregarded with respect to what you may call war industry, there seems to be a little resistance both ways. Some provinces are rather indicating that they would not like to have very much interference with their collective bargaining acts, and would be inclined to take under their wing the principles of collective bargaining. That was one of the main difficulties we had in mind when I put the question to which you have referred. I do not know what observations you might have to make in regard to that.

Mr. COHEN: The point is whether or not even if one does recommend some measure under the War Measures Act, the existing machinery or legislation on collective bargaining in the provinces should be utilized in order to carry out or implement the war measure; or does it involve the setting up of new machinery for the duration?

Mr. MORRIS: I think the general opinion, so far as I can gather, is that the same authority which has been taken in this emergency to deal with many questions should be exercised with respect to labour relations the same as it deals with prices.

Mr. COHEN: You mean the Wartime Prices and Trade Board?

Mr. MORRIS: No; I mean constitutionally. I know nothing about these provinces, not being a constitutional authority, but if that were given a fair trial in war time it would be an example based on the war for dealing with constitutional difficulties after the war, when the Sirois report may be taken up again.

Mr. COHEN: Assuming that the governor in council should be advised to set up some measure under the War Measures Act, the question is whether the existing machinery should be used or separate machinery set up.

Mr. MORRIS: I think the machinery which now exists should be utilized. Later I come to a point which I think will bring the matter out more fully. I simply try to deal with the question placed before us by the Chairman. My answer is this: deal with it directly as a war measure, and modify the existing provincial legislation. I do not think it should be limited to purely war industry; because the line is hard to draw.

The CHAIRMAN: That proposal runs counter to what some of the representatives of the provinces said last week. They indicate that it would not be good policy at all to put their collective bargaining acts into a state of suspension.

Mr. MORRIS: Except that only three provinces out of the nine have such legislation, fairly satisfactory legislation.

Mr. COHEN: There may be some doubt about that.

The CHAIRMAN: You are referring now to British Columbia, Nova Scotia and Ontario?

Mr. MORRIS: Alberta has a social credit law which I cannot make head or tail of. It is not really a collective bargaining act.

Mr. LALANDE: There is a collective labour agreement act in the province of Quebec.

Mr. MORRIS: Yes.

Mr. COHEN: That proceeds upon the assumption that collective bargaining was already in process and has produced something.

The CHAIRMAN: I suppose you can call that a collective agreement extension act.



Mr. MORRIS: I do not wish to go into that.

A combination of actions taken under the War Measures Act and also within the legislative procedure, seems to be indicated, just as it is in other forms of Canada's war-time life, as, for example, with respect to reconstruction and social security. There need be no Chinese wall between the needs of Canada at war and the needs of Canada at peace, if a total war attitude is adopted that will take labour into partnership now.

What is required is a simplification of the devious and repetitious orders in council which now reflect a confused, slow-moving and intricate machinery for dealing with the problems of labour.

I believe there are seven distinct orders with respect to the wage ruling.

Mr. COHEN: Did you say distinct orders?

Mr. MORRIS: Probably seven indistinct orders.

Mr. COHEN: I just wanted to be clear on that.

Mr. MORRIS (reads):

This is so also with respect to labour-management cooperation. In fact, this indispensable feature of all-out industrial war effort is a microcosm bearing within it most of the features of the present policy. Everybody is for it, but no one does much about it. A wide gulf is seen between word and deed, between promise and accomplishment. Only now has a government committee been set up to encourage labour-management cooperation, and labour rightly is dubious about the existence of the 631 labour-management committees which Mr. Mitchell claims to exist.

I do not think they exist as committees in the way that the trade union movement regards such committees.

As far as the *Tribune* is concerned, it seeks constantly for examples of the success of labour-management cooperation but those we can find are all too few. That is because the attention of workers is deflected from cooperation to the arduous task of dealing with anti-union employers, or coping with a cumbersome, inefficient and exasperating conciliation machinery.

The National War Labour Board will render a service to Canada and to the war effort if it will recommend as a result of these hearings and its rich experiences what the four trade union centres have already proposed. The proposals can be summarized very simply:

1. The replacement of the present order in council system of expediency with a simplified code enacted under the War Measures Act, which would establish a majority in any plant or sub-plant.

Mr. LALONDE: What do you mean by a majority?

Mr. MORRIS: Fifty-one per cent.

The CHAIRMAN: Either industrially or by craft as the situation warrants?

Mr. MORRIS: Yes, that democratic procedure would solve any jurisdictional disputes.

(b) A simplified and speedy conciliation machinery that would replace the present awkward division of work between the Industrial Disputes Investigation Act and the National War Labour Board.

Mr. COHEN: I do not know that there is any division between the Industrial Disputes Investigation Act and the National War Labour Board. This board has no scope in matters of conciliation.

Mr. MORRIS: I think there is a definite division of work.

Mr. COHEN: You mean the division of labour?

Mr. MORRIS: I mean in the divisions that they do different work.

(c) The extension of the powers of National War Labour Board to empower it to administer the codes established in points (a) and (b), making of it actually a National War Labour Relations Board of the Department of Labour.

Mr. COHEN: You use the term in (b) to complain about the separation of the work?

Mr. MORRIS: Yes.

3. The extension of section 25 of P.C. 5963 to empower the National War Labour Board to revise wage scales to bring substantial wages up to the minimum agreed on by the unions of 50 cents per hour or \$25 weekly, and to enforce present, but general, government policy of the payment of equal wages for equal work by women, the extension of section 34 to make the cost-of-living bonus uniformly applicable.

Mr. COHEN: Why should that concept "equal wages for equal work" apply only when it comes to women?

Mr. MORRIS: Because women are doing the work. The Kelsey Wheel Company embarked upon this procedure and there were great repercussions on that score. You remember the strike that occurred on this question.

4. The establishment of regional cost-of-living indexes which will eliminate some at least of the present dissatisfaction with the relation of wages to prices, and which, together with the raising of sub-standard wages, will improve the economic position of the working people, bolster their morale, and make of them a better partner in the war effort by making it possible for them to democratically participate in the fight against inflation by accumulating war-time savings.

The CHAIRMAN: Before you proceed, you have this proposition put very broadly of extending section 34 to make the cost of living bonus uniformly applicable. That implies, in your opinion, that section 34 should be amended so as to give to the board the right to review any applications. Is it not really wider than that? As you know, we have that power within certain limitations; within an industry you have a range in cost of living bonus from \$4.25 down to 60 cents. Your suggestion, I believe, was previously made in another brief which proposed that there should be a regional system of some kind. I am wondering how it would all add together in a practical way.

Mr. COHEN: What do you mean by the extension of section 34 to make cost of living bonus uniformly applicable? It does that now. Employers are required to pay at least that 60 cents.

Mr. MORRIS: I should have been more explicit. I mean to revise them upwards. I think low paid workers have been penalized in the bonus payment from November, 1941, until now.

Mr. COHEN: What is it you are proposing should be added to section 34 in respect to payment of cost of living bonus?

Mr. MORRIS: That it be paid on the decision of the board to the full extent of the cost of living index without an artificial separation of the two.

Mr. COHEN: That there should not be the present restrictions?

Mr. MORRIS: Yes. I want to make the point clear. Everyone agrees, I believe, that a simple act of a board of this kind in raising the wages of 1,150,000 workers is not a simple reform that can be carried through from the top by executive action. It is a great social problem that goes beyond the wartime period; nevertheless in a wartime period it can be treated as a wartime measure for increasing the bonus.

Mr. COHEN: Are you advocating a uniform bonus for all workers?

Mr. MORRIS: Not if it would defeat the point I made with regard to the regional index, and with regard to the value of the bonus to lower and higher paid workers.

Mr. COHEN: Assuming there were a regional index, do I take it you think it is right that every worker should receive a cost of living bonus without any discrepancy?

Mr. MORRIS: Yes, that is what I mean, but the formulation is probably clumsy here.

5. All-round rationing of all consumption goods, to combat inflation and black markets, and to ensure to the working people the share they require in that amount of consumers' goods possible of production in the light of wartime industrial needs.

Mr. LALANDE: You are aware of the tremendous administrative problems involved in point rationing.

Mr. MORRIS: Yes.

It is obvious to any serious student of the Canadian labour movement that if these policies were adopted by the government, present industrial strife, friction, exasperating delay, lack of faith in the government, and the growing crisis of confidence in wartime authority—

Mr. COHEN: "Crisis of confidence"; you mean lack of confidence?

Mr. MORRIS: No; the crisis we are thinking of in the trades unions is not centred around one or two economic points but around the whole government policy. I think the point I make is clear, that there is a crisis of confidence between the government and the labour movement.

Mr. COHEN: It is rather a lack of confidence.

The CHAIRMAN: You mean a growing confidence in a crisis.

Mr. MORRIS: That is probably much better.

—would be swiftly replaced by confidence, increased industrial output, concentration on wartime tasks and a quick readiness by the workers to accept all the sacrifices, no matter how onerous, the war will yet make upon us as it reaches its terrific climax.

The labour movement is solidly anti-Hitler. It is patriotic. It voluntarily gave up its strike weapon in order to concentrate on the defeat of Hitler. It is a total war force in Canada without a peer. It understands what the defeat of the United Nations would mean to labour, knowing as it does the fate of the labour movement in Germany and Italy and the occupied countries. It puts the war first in its mind. And in order that the war may really take first place in life, it correctly and democratically requests of the government that the policies indicated as being necessary by rapidly changing conditions at this period of a virtual second industrial revolution in Canada, be recognized by the government and speedily enacted.

I shall finish by quoting the words of Mr. J. L. Cohen, K.C., a Member of this board, in a speech he made in April to a meeting of union members in Montreal:

"The role which organized labour can play in giving a lead to society by way of a constructive approach to the discussion and settlement of these public issues, is beyond estimate. Those outside the labour movement must shape their thinking in relation to that fundamental fact, and every day should be regarded as a day yielded to the enemy which delays or hinders, or which features any impediment to the full growth of labour's influence in the affairs of the nation.



I have said before in printed text that "the participation of labour in the affairs of the state can never be accomplished by the mere appointment here or there of a labour representative upon one or another new wartime agency. It can be secured only by building sound and active organizations of the workers which can be used as the real instruments of action. . . . Sound and constructive social policy will be achieved in Canada only so far as sound and strong labour organizations are encouraged and assisted in their growth and development, but I close in saying to you that parallel with that development there is imposed upon labour the responsibility of basing its position on social, economic and political issues firmly on sound reason, on fundamental principles of justice, on the ultimate welfare of the nation and on the complete destruction of the fascist beast and enemy."

This speech, I believe, created quite an amount of interest in one of our trade unions.

The CHAIRMAN: No doubt Mr. Cohen wrote the words quoted here when he had no idea he might be on one of those wartime boards.

Mr. COHEN: Apropos of the Chairman's remarks, I think I should say that that statement still stands.

Mr. MORRIS (Reading):

I hope the Board will recommend these policies and so cement national unity for the great task of defeating the Axis and liberating the world from the fascist menace.

The CHAIRMAN: I should like to put the same proposition to you that I have put on two or three other occasions previously. By representatives of industry—at least some industry—the proposition is constantly reiterated that they have no objection to collective bargaining but want to see the unions put in a position of responsibility. On a couple of occasions I have asked spokesmen for industry here just what they meant by that responsibility or how they proposed to put it in a practical way. So far I have not had very much help. You refer here in your brief to a statement made by Mr. Mosher, I believe, at the Ottawa conference. It was something to this effect, that if labour got its rights it was quite prepared to assume the obligations that went with those rights. You present that development that is taking place in the United States. You have the Wagner Act which simply left no element of responsibility beyond moral responsibility so far as the unions were concerned. It defined certain unfair practices on the part of employers and it described penalties, as you know.

Mr. MORRIS: Yes.

The CHAIRMAN: There seems to be a movement on the American side, in some state legislatures and within the last couple of days in the Senate and House of Representatives, to move in the direction of requiring the filing of financial returns, requiring incorporation, annual elections, and matters of the kind. Have you any ideas that might be helpful in connection with that problem?

Mr. MORRIS: I think it stacks up something like this. There should be a code laying down the principles upon which collective bargaining can be carried through without disruption. That would not solve their problem; it would be wrong to think so but it would remove what is at the moment the biggest obstacle to good relationship between employers and workers, especially in respect to the war. It is quite conceivable that if this Act were energetically enforced it would result very quickly in a new morale on the part of war

workers especially, increased production generally, and a greater desire to get on with the war. The absence of it stands in the way. It is an obstacle for which the responsibility has to be fought out.

The CHAIRMAN: That is something I might say, being an Irishman.

Mr. MORRIS: That obstacle is an important one that stands in the way of a much better set of relations. The question of labour's responsibility has been stated emphatically in the no-strike pledge which has been given by labour. They will not, I think, agree to incorporation, because labour does not think of itself as a corporation. These things are secondary, and these questions have been fought out in every country and may have to be fought out here as an issue on principle. I think if the machinery is set up so that matters in dispute can be dealt with within the confines of the no-strike policy, labour will be able to accept its responsibilities, but unless these things are done it is going to be a constant difficulty for the trade union leaders to hold workers to their jobs. Lodge 712 in Montreal of the International Association of Machinists is the best example. There was a strike vote, but the executive managed to hold the men back, and it has finally been resolved within the confines of national unity, which is the principle on which labour is operating. I do not want to give the impression that this is going to be a cure-all for everything; it is not. Questions will arise in practice.

The CHAIRMAN: Mr. Mockeridge, you are next.

Mr. H. MOCKERIDGE (Association of Employees, Canadian Car & Foundry Company Limited, Steel Foundry Division, Longue Pointe): I would like to introduce the presidents of two other unions that are cooperating in submitting this brief—Mr. M. Maloley, President of the Propeller Division of our Association, and Mr. T. Scurfield, President of the Association of Employees, Turcot and Dominion plants. The plant I represent myself is Longue Pointe, Steel Foundry Division. Our brief is as follows:

Mr. Chairman and Members of the National War Labour Board:

I have the honour and privilege of appearing before you as the authorized representative of a number of Independent Unions and Associations in the Province of Quebec—unions with a membership of over thirty thousand (30,000) workers who are unalterably opposed to strikes, slow-downs, walk-outs, etc., and who crave the right to earn a livelihood for themselves and families free of the influences of professional labour bosses, organizers and politician whose principal occupation would appear to be that of encouraging class hatred and fomenting industrial unrest.

We come before you, gentlemen, not to criticize or to indulge in personalities but to offer constructive suggestions which, we sincerely hope and sincerely believe, will be of assistance in improving conditions generally and in eradicating at least some of the evils which have and still are adversely affecting Canada's war effort and discrediting a vast army of innocent, honest, conscientious and patriotic Canadian workers and wage earners.

We must, however, make it clear that we look upon individuals who have expressed the belief and feel that "strikes are sometimes necessary in order to obtain an all-out effort" and "stoppage in industry to force an increase in wages is a patriotic act" as, to say the least, mentally-unbalanced and dangerous public enemies, that we look upon individuals who incite, promote, advocate or even condone work stoppages in essential industry as saboteurs and that it is our earnest desire and intention to have the labour movement in Canada purged of such individuals as quickly and as thoroughly as possible.

We are definitely opposed to dominion without responsibility. We are opposed to dictation by agents of foreign controlled labour unions. We are opposed to employer-controlled or company unions. We are opposed to the existence and operation, in Canada, of labour unions which are not subject to government supervision and control.

I would like to read from another document not in the brief.

The CHAIRMAN: Would you mind telling me what it is?

Mr. MOCKERIDGE: It is the preamble to the public policy in the recently enacted union legislation in the State Legislature of Texas. I have the entire Act here.

The CHAIRMAN: Have you an additional copy so that it can go into the proceedings:

Mr. MOCKERIDGE: I will file it with you.

Be it Enacted by the Legislature of the State of Texas:

*Section 1. Preamble of Public Policy.* Because of the activities of labour unions affecting the economic conditions of the country and the state, entering as they do into practically every business and industrial enterprise, it is the sense of the Legislature that such organizations affect the public interest and are charged with a public use. The working man, unionist or non-unionist, must be protected. The right to work is the right to live.

It is here now declared to be the policy of the state, in the exercise of its sovereign constitutional police power, to regulate the activities and affairs of labour unions, their officers, agents, organizers, and other representatives, in the manner, and to the extent hereafter set forth.

*Section 2. Definitions.* The words and terms hereafter defined, as used in this Act, shall have the meaning herein stated, except where the context of the Act shows that the same are used in some other sense or meaning; (a) the words "Secretary of State" shall mean the Secretary of State of the State of Texas; (b) "Labour union" shall mean every association, group, union, lodge, local, branch or subordinate organization of any union of working men, incorporated or unincorporated, organized and existing for the purpose of protecting themselves, and improving their working conditions, wages, or employment relationships in any manner, but shall not include associations or organizations not commonly regarded as labour unions; (c) "Labour Organizer" shall mean any person who for a pecuniary or financial consideration solicits memberships in a labour union or members for a labour union; (d) "Enforcement Officer" means the Attorney General, District Attorney and the County Attorney; (e) "Working agreement" means a collective bargaining contract with an employer for union labour employees in any business or industry, and shall include any renewal, extension, supplementation or charge whatever in respect to any such agreement.

*Section 3. Reports.* It shall be the duty of every labour union to file with the Secretary of State, annually, and not later than the first day of February, except as hereafter provided, a report containing, (a) the name and address of such union; (b) the name and address of its local officers; (c) the name and address of the State, national, and international organization or union, if any, with which it is affiliated; (d) a complete financial statement of all fees, dues, fines, or assessments levied or received, together with an itemized list of all expenditures, with names of recipients and purposes therefor, covering the preceding twelve (12) months; and, (e) a complete statement of all property owned by the labour union, including any moneys on hand or accredited to such union,



which said report shall be duly verified by the oath of the president, secretary, or some other regularly selected and acting officer of the union acquainted with the facts therein stated. Provided, however, that any union which closes its books at a date not convenient to file not later than the first of February may file such reports once each year as provided, and the Secretary of State shall set the time for such filing at a time convenient to the union. Each such labour union shall file with its first such report, duly attested copies of its constitution, or other organization papers and records, and shall thereafter report any changes or amendments to such constitution or organization papers and records within twenty (20) days after such changes are made. Such reports shall be available only to the Secretary of State, the Commissioner of Labour Statistics, and the Attorney General but shall also be open to grand juries and judicial and quasi-judicial inquiries in legal proceedings.

*Section 4. Officers.* All officers, agents, organizers and representatives of such labour union shall be elected by majority vote of the members present and participating; provided, however, that labour unions, if they so desire, may require more than a majority vote for election of any officer, agent, organizer or representative and may take any such vote of the entire membership by mail ballots. Such election shall be held at least once each year, and the determination taken by secret ballot, of which election the membership shall be given at least seven (7) days' notice by written or printed notice mailed to the member's last known address, or by posting notice of such election in a place public to the membership, or by announcement at a regular stated meeting of the union, whichever is most convenient to the union. The result of such election when held shall be ascertained and declared by the president and the secretary at the time in the presence of the members or delegates participating.

Provided, the requirement for annual elections herein made, or the methods of holding same, shall not apply to any labour union that for ten (10) years prior to the effective date of the law shall have held its elections for officers, delegates and the like representatives less frequently than annually but which have held such elections either every three (3) years or every four (4) years under their constitution, bylaws, or other organization rules, and which unions have during such ten (10) years charged not more than fifteen dollars (15) initiation fee to members.

*Section 4a.* It shall be unlawful for any alien or any person convicted of a felony charge to serve as an officer or official of a labour union or as a labour organizer as defined in this Act. This section shall not apply to a person who may have been convicted of a felony and whose rights of a citizenship shall have been fully restored.

*Section 4b.* It shall be unlawful for any labour union to make any financial contribution to any political office as a part of the campaign expenses of such individual.

*Section 5. Organizers.* All labour union organizers operating in the State of Texas shall be required to file with the Secretary of State, before soliciting any members for his organization, a written request by United States mail, or shall apply in person for an organizer's card, stating (a) his name in full; (b) his labour union affiliations, if any; (c) describing his credentials and attaching thereto a copy thereof, which application shall be signed by him. Upon such application being filed, the Secretary of State shall issue to the applicant a card on which shall appear the following: (1) the applicant's name; (2) his union

affiliation; (3) a space for his personal signature; (4) a designation, "labour organizer"; and, (5) the signature of the Secretary of State, dated and attested by his seal of office. Such organizer shall at all times, when soliciting members, carry such card, and shall exhibit the same when requested to do so by a person being so solicited for membership.

*Section 6. Working Agreements.* All labour unions are hereby required to forward to the Secretary of State a copy of all existing working agreements with employers under which that organization is operating, within twenty (20) days after the execution of such working agreements, but only if such agreements contain a clause, or as a part of such agreement, which provides that the dues or any other collections for the benefit of the labour union are deducted from the worker's check or salary by the employer. Such working agreements shall be available only to the Secretary of State, the Commissioner of Labour Statistics, and the Attorney General, but shall also be open to grand juries judicial and quasi-judicial inquiries. This shall not in anywise be construed to vitiate the Statutes of Frauds.

*Section 7. Fees, Dues, Fines and Assessments.* It shall be unlawful for any labour union, its officers, agent or any member to make any charge or exaction, or to receive any moneys for initiation fees, dues, fines, assessments, or other pecuniary exactions, which will create a fund in excess of the reasonable requirements of such union, in carrying out its lawful purpose or activities, if such fees, dues, fines, assessments, or other pecuniary exactions create, or will create, an undue hardship on the applicant for initiation to the union, or upon the union members. Nothing in this section shall be deemed or construed to prevent the collection by a labour union of dues or assessments for purposes which are beneficial to the members of the union according to the established practice, and/or to maintain funds or make investments of funds for such beneficial purposes. Neither shall this section be construed to prevent dues, collections or other assessments for old age benefits; death and burial benefits, hospitalization, unemployment, health and accident, retirement or other forms of mutual insurance, for legislative representation, grievance committee or for gifts, floral offerings, or other charitable purposes, or any other legitimate purposes when the union engaged in or decides to engage in such a field or practice; provided that the members contributing share or can reasonably expect to share in the benefits for which they are assessed; neither shall this section be construed to prevent assessments, dues, or other collections, except initiation fees, to be placed in the funds or as a part of the funds of the union for the use by the union in paying its members while such members are on a strike; provided such funds shall remain under control of the labour union members. This section shall be liberally construed, however, to prevent excessive initiation fees.

*Section 8. Advance Fees.* It shall be unlawful for any labour organizer, union official or officer, or member of a labour union, or their agents, to collect any fees, dues, or sum of money whatsoever, in respect to membership in a labour union, or for the privilege to work or as a permit to work, from any person, without giving such person at that time a receipt therefor signed by such labour organizer, union official or officer, or member of the labour union, or their agent, reciting that such sum of money so received is to be delivered to the labour union, and be held intact until said person has been duly elected, and has become a bona fide voting member of said labour union. Upon the payment in full by



an applicant for membership in a labour union of any and all initiation fees or dues regularly assessed by such union, such labour union shall (a) elect such applicant to membership, or (b) shall forthwith return in full said money thus paid by the applicant. Upon such election, however, such advance fees thus paid may be applied by the labour union to the purposes and uses for which same were advanced. All unions, its members, officers, or agents, shall collect all fees in good faith, and no union shall elect a person to membership merely for the purpose of obtaining his initiation fee. Neither shall any labour union engage in the practice of collecting initiation fees from members and proceeding thereafter to discharge, suspend or drop such member, or cause his employer to discharge such employee, without reasonable and just cause. If any labour union shall engage in such practice, it shall be guilty of a violation of this Act, and shall be subject to the civil penalties herein prescribed. Nothing herein above stated shall be construed to prevent a closed shop contract or other type of bargaining agreement or to limit the bargaining power of a labour union.

*Section 8a.* It shall be unlawful for any labour union, any labour organizer, any officer, any agent or representative or any member of any labour union to collect, receive or demand, directly or indirectly, any fee, assessment, or sum of money whatsoever, as a work permit or as a condition for the privilege to work from any person not a member of the union; provided, however, this shall not prevent the collection of initiation fees as above stated.

*Section 9. Books of Accounts.* It shall be the duty of any and all labour unions in this state to keep accurate books of accounts itemizing all receipts from whatsoever source and expenditures for whatsoever purpose, stating such sources and purposes. Any member of such labour union shall be entitled at all reasonable times to inspect the books, records and accounts of such labour union, and any enforcement officer shall be entitled upon demand, subject to the approval of the Attorney General at all reasonable times, to inspect such books, records, and accounts of such labour union. Such books, records, and accounts shall also be open to grand juries and judicial and quasi-judicial inquiries in legal proceedings.

*Section 10. Members' Rights.* It shall be unlawful for any labour union to refuse to give any person desiring membership therein a reasonable time, after obtaining the promise of employment, within which to decide whether or not he desires to become a member of such labour organization, as a condition to such person's employment by the employer. It shall also be unlawful for any labour union to expel any member thereof except for good cause, and upon a fair and public hearing by the organization, after due notice and an opportunity to be heard on specific charges preferred. Any court of competent jurisdiction upon his petition therefor, shall order reinstatement of any member of the labour organization who shall be expelled without good cause.

*Section 10a.* Any employee who is a member of any union, who, because of services with the armed forces of the United States, has been unable to pay any dues, assessments, or sums levied by any union, shall not hereafter be required to make such back payments as a condition to reinstatement in good standing as a member of any union to which he belonged.

*Section 11. Penalties.* If any labour union violates any provision of this Act, it shall be penalized civilly in a sum not exceeding One Thousand Dollars (\$1,000) for each such violation, the sum recovered as



a penalty in a court of competent jurisdiction, in the name of the State, acting through an enforcement officer herein authorized. Any officer of a labour union and any labour organizer who violates any provision of this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof in a court of competent jurisdiction shall be punished by a fine not to exceed Five Hundred Dollars (\$500) or by confinement in the county jail not to exceed sixty (60) days, or both such fine and imprisonment.

*Section 12. Enforcement by Civil Procedure.* The District Courts of this State and the judges thereof shall have full power, authority and jurisdiction, upon the application of the State of Texas, acting through an enforcement officer herein authorized, to issue any and all proper restraining orders, temporary or permanent injunctions, and any other and further writs or processes appropriate to carry out and enforce the provisions of this Act. Such proceedings shall be instituted, prosecuted, tried and heard as other civil proceedings of like nature in said courts.

*Section 13. Enforcement Officer.* It is hereby made the duty of the Attorney General and the District Attorneys of this state, within their respective jurisdictions, to prosecute any and all criminal proceedings and to institute and maintain any and all civil proceedings herein authorized for the enforcement of this Act.

*Section 14.* The provisions of this Act are to be liberally construed so as to effectuate the purposes expressed in the preamble and in such manner as to protect the rights of labouring men to work and/or to organize for their mutual benefit in connection with their work; nor shall anything in this Act be construed to deny the free rights of assembling, bargaining, and petitioning, orally or in writing with respect to all matters affecting labour and employment.

*Section 15. Separability Clause with Respect to Constitutional Invalidity.* If any section or part whatsoever of this Act shall be held to be invalid, as in contravention of the constitution, such invalidity shall not affect the remaining portions thereof, it being the express intention of the Legislature to enact such Act without respect to such section or part so held to be invalid.

*Section 16. Emergency Clause.* Because of the fact that there now exists no law imposing the duties herein devolved upon labour unions, or in anywise dealing with the evils herein sought to be remedied, and the urgent need of such legislation, the which is here found, there exists an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each House should be suspended, and the same here now is suspended, and this Act shall become effective from and after its passage, and is so enacted.

That concludes the reference to the Texas legislation. Now, to continue with the brief:

We are convinced that the remedy for most of our industrial strife and labour difficulties lies with the federal government, and, knowing your keen interest in the matter, we feel justified in requesting your valued assistance in urging, in a spirit of friendly co-operation, the enactment and rigid enforcement of legislation by the federal government in line with the following proposals:

(1) As a means of protecting their rights and liberties and for other equally important reasons, independent associations and unions are united in urging that the federal government make it mandatory upon all labour

organizations operating in Canada to become chartered under the laws of the Dominion at least to the extent of registering under the Trade Unions Act.

One of the outstanding purposes of this proposal is to establish a degree of responsibility which does not exist in the case of certain labour organizations at the present time—organizations and affiliated groups which seek to dominate the labour movement without being legally responsible or accountable for their acts.

I wish to quote from your address before the Canadian Club in Montreal, if I may.

The CHAIRMAN: You do not need to do that. I have heard it before.

Mr. MOCKERIDGE: (Reading):

Organizations registered under the Trade Unions Act are required to file with the Registrar General of Canada copies of their constitution and by-laws, audited statements of receipts and expenditures, certified lists of officers and members, etc.—all of which automatically become available to members—and it is felt that said requirements carry with them a certain element of responsibility and consequent restraint and control. It is also felt that doubt is at once cast on the honesty of purpose of any organization which fears or opposes such action.

From the little I have heard, several diatribes have been delivered against what are called company unions. I have still to hear a definition of company union.

Mr. COHEN: Suppose you suggest one.

Mr. MOCKERIDGE: Yes. I would say that a company union is one that is out-and-out subsidized by the employing company.

Mr. COHEN: Why do you say "out-and-out?"

Mr. MOCKERIDGE: Well, even partly.

The CHAIRMAN: I suppose you have in mind the Ontario Collective Bargaining Act, which does purport to go somewhere in that direction and says it is one dominated, controlled or financially assisted by the employer.

Mr. MOCKERIDGE: That is right. I think the National Labour Act in the United States goes too far. There is a case where a bona fide union has been declared illegal because the company has co-operated with them to the extent of permitting the union to hold meetings on plant property. In my opinion that should not constitute assistance to the union. If the union is capable of dealing harmoniously with the company, I see no harm in meeting on company property, but that has been the basis for a number of fine employee organizations in the United States being outlawed.

Mr. COHEN: Do you see any harm if meetings were held off the company property?

Mr. MOCKERIDGE: None whatever.

The CHAIRMAN: I suppose it is a question of fact. I remember that Mr. Mosher spoke quite strongly against company unions; and he said that he was not referring to unions which were not financially assisted by or dominated by the management.

Mr. MOCKERIDGE: It seems that any independent union that successfully resists attempts on the part of one of the labour cartels to destroy it is immediately branded as a company union by an organization that has no legal status whatever and should not be permitted to exist, much less collect money from unwilling members. Whatever definition is arrived at for company union I think should be carefully looked at to see that it does not infringe on the rights

of some organization that already exists. As I say there are several excellent organizations in the States that have become illegal because of something of that sort.

Mr. COHEN: Have you any specific case in mind?

Mr. MOCKERIDGE: Yes, there is the International Harvester Company. They had an employees' organization that had been functioning for years before the National Labour Act was enacted. It was declared illegal because of the fact that meetings were held on company property. The employees themselves were more agreeable to membership in that organization than to an outside union; nevertheless it was declared illegal.

The CHAIRMAN: Is that a declaration by one of the courts?

Mr. MOCKERIDGE: That is the National Labour Relations Board in the United States. There were numerous cases of the kind. That was the law and they had to live up to the letter of it.

The CHAIRMAN: There is a constitutional right of appeal, is there not, in matters of that kind? Did the question go any further?

Mr. MOCKERIDGE: Not that I am aware of.

Mr. COHEN: We will have the case looked up and see what supported the conclusion of the National Labour Relations Board.

Mr. MOCKERIDGE: We regard as unsatisfactory any union not entirely controlled by the workers on the job. There are certain individuals who disagree with a practice because the practice disagrees with them. If the workers did not look upon these so-called company unions with greater favour than they regard the protesting labour cartels, the organizations under fire could not exist. The protests registered by the huge labour combines indicate that these labour cartels are unable to cope with competition from even an unsatisfactory form of worker representation, due to the average worker's lack of confidence in these cartels and his unwillingness to become a paying member unless forced to it by coercion or intimidation or both. I would like to make this observation, that there are far more workers in Canada who are not organized than there are members affiliated with any labour organization.

Mr. LALANDE: Do you have any figures on that?

Mr. MOCKERIDGE: There are some here.

Mr. LALANDE: I think in the course of this inquiry somebody has said there were 18 per cent of the workmen organized.

Mr. MOCKERIDGE: I believe seventeen men out of twenty-five are not within the unions.

Mr. COHEN: Is that a desirable state of affairs?

Mr. MOCKERIDGE: Well, I would not say so, but the rights of the independent worker who does not desire to affiliate but desires to do his own collective bargaining, should be considered in any legislation.

Mr. COHEN: Nobody is quarrelling with you about that, and I do not think anybody has raised any question about it.

Mr. MOCKERIDGE: It is important. It has been previously said that the wheel that squeaks the loudest gets the grease.

Mr. COHEN: Why do you suggest that affiliated trade unions will militate against their getting their rights?

Mr. MOCKERIDGE: I do not suggest that anything be done to tie the hands of the labour unions. I would like to quote an extract from a memorandum on Provincial Labour Legislation—Industrial Conciliation and Arbitration Act:

"(c) We favour the generally recognized principle that an employee should be free to join a union of his own choice, or refrain from joining any union. We believe in the principle that the same liberty which entitled a



man to join unions entitles other men to remain independent of unions. This is part of the constitutional rights of personal liberty and private property enjoyed by every British citizen which cannot be taken away by legislation. We believe no handicap should be imposed upon a workman that might interfere with his constitutional "right to work".

(d) Employers to-day hesitate to make agreements with some unions on account of the instability of their leadership."

Now, to resume the brief:

(2) It is considered most desirable to bring to the attention of the government the grave necessity for clarifying the interpretation of "illegal" and "sympathetic" strikes, and, in order to facilitate greater stringency in law-enforcement, to definitely "outlaw" same for the duration under the Defence of Canada Regulations.

Public opinion is seriously aroused and law-abiding citizens take grave exception to the fact that almost all strikes are now rightly considered and declared to be "illegal" and yet no action is taken to punish the instigators and perpetrators of same.

(3) The government is urged to deal severely with anyone found guilty of promoting, advocating, inciting, or in any manner contributing to the calling of "illegal" strikes or walk-outs, slow-downs, etc., in "sympathy" with same.

Lord Simon (then Sir John Simon) made the following statement in connection with the general strike in England in 1926 because same was considered illegal:

"Every trade union leader who has advised and promoted this course of action is liable to damages to the uttermost farthing of his personal possessions."

We are confident that, if it could be made clear that a similar law prevails and is to be enforced in Canada, the activities of agitators, racketeers and strike promoters, if not put an end to, would be effectively curbed.

(4) Workers and wage-earners generally would welcome and are prepared to urge that a law be passed requiring all labour organizers to register with the Federal Department of Labour to obtain from said department a licence or permit before soliciting members, or collecting dues or fees for any labour organization in Canada.

(5) Workers and wage-earners would also welcome and urge that, as in the State of Texas, U.S.A., it be made unlawful for any alien to serve as an officer, official or organizer of a labour union or organization in the Dominion of Canada.

Mr. COHEN: Would you extend that to an incorporated company also?

Mr. MOCKERIDGE: Yes.

(6) It is urged that as in Great Britain, the use of union funds in support of "illegal" or "sympathy" strikes be strictly prohibited. I would like to quote again from the Texas law:

"Section 4b. It shall be unlawful for any labour union to make any financial contribution to any political office as a part of the campaign expenses of such individual."

Then, the brief continues:

The argument in favour of this suggestion is that there would be fewer strikes if certain workers knew in advance of the taking of a strike vote that, regardless of alluring promises, there would be no strike pay.

(7) In the best interests of the workers and the labour movement generally, the government is requested to eradicate some of the long-standing evils connected with picketing and thereby put an end to the molesting, intimidating and annoying of non-strikers and citizens. The suggestions in this regard are:

- (a) That no picket line be permitted in connection with illegal or outlaw strikes.
- (b) That so-called "mass picketing" be totally abolished as it has been in Great Britain since 1927.
- (c) That, as in Great Britain, no picket line be permitted at plants in which there are no actual disputes or merely for the purpose of promoting a dispute. Britain definitely forbids its unions to carry any dispute over from one industry into striking and picketing another.
- (d) That all picket lines be restricted to bona fide employees of the plant being picketed.

(8) It is particularly requested that the government establish some very necessary safeguards in the matter of determining "bargaining agents" and "plant votes" generally.

There is a strong desire to have "seniority rights" preserved and recognized in the matter of voting as in the matter of employment agreements, and, with that in mind, it is suggested that the "bargaining majority" be fixed at sixty-five (65) per cent of all employees in the plant instead of fifty-one (51) per cent as at present.

(9) Independent workers and wage-earners have a contempt for labour "bosses" and labour "politicians" and are unalterably opposed to the payment of tribute to anyone for the right to work. For said reasons, they do not favour the "closed shop" and "check-off" and respectfully demand a continuance of freedom of association and work without compulsory union membership obligations.

(10) The above proposals and suggestions are not to be construed or interpreted as a willingness on the part of the independent worker to relinquish or forego any measure of the legitimate freedom, recognition or privileges enjoyed by the rank and file of workers and wage-earners in Canada at the present time. On the contrary, the desire is:

- (a) To preserve and promote said rights and privileges.
- (b) To safeguard the workers and wage-earners against the high-pressure methods of certain professional organizers who find peace and harmony unprofitable and who are prepared to prostitute the rights of workers for their own personal gain and aggrandizement.
- (c) To guarantee the right of workers to form their own unions without being threatened with the loss of livelihood for refusing to subscribe to some particular union or organization.
- (d) To respect and preserve contractual relationships voluntarily established and mutually satisfactory to both the workers and employees in any industry.

(11) Without any desire to criticize appointments and being fully aware that responsibility for the retention of officials must remain with the discretion of the minister and government, it is, nevertheless, considered advisable to acquaint the Minister of Labour and this Board with the fact that certain of the more important officials of the Department of Labour are causing independent workers considerable anxiety.

Said officials were formerly paid officers and officials of the labour organizations opposed to independent unions and are openly accused of bias in their dealings with independent workers.

They are seriously suspected of being disloyal to the government and their connection with the Department of Labour is not conducive to maintaining the degree of confidence in said department which is so very necessary at the present time.

It is respectfully suggested that the officials above referred to be advised of the feeling that prevails and warned of the necessity for overcoming same forthwith.

I realize, Mr. Chairman, that some of the proposals above outlined will be strenuously opposed by certain officials connected with the unions which the latest issue of "Labour Organization in Canada" credits with a "claimed" membership of less than 350,000. It can be clearly established, however, that even more drastic proposals would be acceptable to and welcomed by "the man in the street", the young men and women and, perhaps still more important, by some 4,000,000 independent, patriotic, peace-loving Canadian workers and wage-earners."

Mr. PYLE: I would like to read into the proceedings a telegram which has been received in connection with this submission by Mr. Mockeridge.

Justice C. P. McTague,

Chairman of the National War Labour Board, Ottawa.

As President of the Babcock Wilcox and Goldie McCulloch Employees Association at Galt, Ontario, I have received a copy of brief to be presented before your Board by Mr. H. Mockeridge, President of the Employees Association of Canada Car and Foundry. The ideas and sentiments expressed therein accurately reflect those of our Association and on their behalf I wish to strongly endorse the brief being filed by Mr. Mockeridge. I regret that it will not be possible for me to attend personally to support the views which we believe have been ably presented by Mr. Mockeridge.

DAVID R. SMITH.

The CHAIRMAN: We will hear from you now, Mr. Stirling.

Mr. STIRLING (Canadian Construction Association): I am the President of the Canadian Construction Association. With me are Mr. H. P. Frid, President of the Frid Construction Company, Past President and Chairman of the Labour Relations Committee, and Mr. J. Clark Reilly, General Manager of the Association, with head office in Ottawa; Mr. W. D. Black, President of the Otis-Fenson Company, and Mr. E. F. Longfellow, President of the Canadian Electric Company of Toronto.

This brief is short. We have no flowery language to present to you; we are used to dealing with facts and figures and physical conditions which eliminate that sort of thing. I am going to ask the privilege of reading the brief through, for two reasons: first, that any facts there may be in the early part of the brief on which questions may be necessary are probably answered later in the brief; second, I would like to have Mr. Frid, who is much more familiar with labour conditions than I am, answer any questions.

Mr. COHEN: You would rather not be questioned during the course of the reading?

Mr. STIRLING: Not at length; I do not mind clearing up a point.

Employers in the construction industry of Canada are vitally interested in the two questions on which your Board is basing its inquiry. We therefore take advantage of your invitation to place before you our opinions on both Labour Relations and Wage Conditions.



The direct membership of our Association is composed of general contractors, trade contractors and material and supply firms. Collective memberships are also held by the leading local Exchanges and Builders' Associations in our principal cities.

It is our intention to briefly set forth the peculiar employment and wage conditions which have grown up in the construction industry of our country, so far as they are related to the work done by general contractors, trade contractors and other field forces.

At the outset of the present war and at all our annual meetings since then, we placed all our resources and experience at the disposal of the Dominion Government, for the successful prosecution of the nation's war effort. This attitude, still maintained by us, has tested out our peacetime labour relations and wage practices.

The construction industry of Canada has been doing a job, under emergency conditions, which cannot for obvious reasons be told as yet in detail or in its entirety. We were the first industry to go to war. The task confronting us was huge. We were prepared and ready to assume our responsibilities. All this made possible the speedy development of the war effort.

The work undertaken by our industry has included fortifications and camps for the army, air stations for the R.C.A.F. and the Commonwealth Air Training Plan and naval centres from coast to coast. Shipyards have been built. We erected plants for the manufacture of munitions, materials and the supply of power. Housing for war workers has been provided. Expansion in all the above fields is going ahead at the present time.

In all of this work, the labour relations built up in our industry in the past forty years and the wage practices and agreements were tested and proved in the main successful.

#### *I. Labour Relations*

Strikes in our industry have been few and relatively unimportant since the beginning of the war. Did this happen by accident? No!

For forty years or more, employers and labour unions representing employees in the construction industry have made collective agreements governing wage rates, hours of labour and working conditions.

In 1921, representations were made to the then Minister of Labour, as a result of which a National Joint Conference of employers and trades union representatives in the construction industry was held. This established a basis for better labour relations which have been carried on through depression years until the outbreak of the present war.

The war gave rise to many new labour problems in our industry because of legislation designed to curb inflation and control wages and labour supply. Due largely to the joint efforts of Mr. Tom Moore, President of the Trades and Labour Congress of Canada, and Mr. J. M. Pigott, a past president of the Canadian Construction Association, a second Joint National Conference of the Construction Industry of Canada was held, under the auspices of the National Labour Supply Council at Ottawa, February 10th, 11th and 12th, 1941.

I may say that Mr. A. J. Hills, the chairman, and Mr. J. L. Kingston, of the National Conference Board to which we refer, are present this afternoon.

The proceedings of this conference have been published by the Department of Labour and are available to you. There are, however, four joint conclusions which we would like to quote here:

- (1) Wage levels in effect at the outbreak of the war in 1939 were generally accepted as fair and equitable;
- (2) Avoidance of strikes by mutual effort and arbitration;

- (3) Labour rates stabilized except where "unduly low" and increases for the duration to be based only upon increases in the cost of living;
- (4) A National Joint Conference Board was established to carry forward the work of the Conference.

This National Joint Conference Board, established at the conference, has been actively in operation and is composed of nine representatives of trade unions and nine employers. In turn, it has been instrumental in establishing Zone Committees across the country to deal with wage disputes and incipient causes of unrest. The minutes of the Board are available to you.

The relations existing between employers and members of skilled trades in the construction industry over a lengthy period were instrumental in the holding of these Joint Conferences and in securing the above results.

## II. *Wages and Cost of Living Bonus*

In order to understand the special problem the construction industry faces in regard to the cost of living bonus, it is necessary to know something of the existing wage structure and the reasons underlying it.

The record of construction work in Canada (as shown by MacLean's Building Reports and the reports of the Dominion Bureau of Statistics) indicates that not only is our industry seasonal in its employment conditions, but also that there are wide variations in volume as from year to year. The most striking example is, of course, the contrast between five hundred and seventy-five million dollars work in 1929 and eighty-seven million in 1933.

Annual wage agreements have been negotiated between the trade unions on the one side and an organized group of employers on the other in different localities. These agreements have provided stability, enabling a contractor to tender on work with some certainty as to what the rates of wages would be for approximately a year. Rates are different for various trades in the same locality and differ also as between one place and another.

In the discussions at the Joint Conference in February, 1941, there was common agreement that there was no real reason for wages going up in wartime, except by reason of increases which might occur in the cost of living. It was also agreed that inflation was to be avoided.

An important subject discussed at the meetings of the National Joint Conference Board was the application of the cost of living bonus to our industry. Because of the difficulty in establishing a uniform basic rate, it was agreed that each case should be referred to the Regional Boards for decision. Therefore there is no uniformly applied cost of living bonus across Canada, so far as the amount of the same is concerned.

Both sides agreed and secured the consent of the National War Labour Board to having the cost of living bonus for the building industry computed in cents per hour and made applicable to a yearly period.

Certain difficulties have occurred in regard to wages. There has been pressure for increases. Job priorities have been given for certain urgently required government work. Scarcity of men, urgent labour requirements and remoteness of jobs have all created difficulties.

Recently unrest has been created in the ranks of our skilled labour forces by the success of certain unions in securing advances in wage rates by means of threats, promises and direct action. This is a serious threat to our wage ceiling legislation and peaceful labour relations in our industry.

### III. *Recommendations*

The Canadian Construction Association respectfully makes the following recommendations to the National War Labour Board, following the general directive of the Chairman, Mr. Justice McTague, at the opening session:

#### 1. *Labour Relations*

- (a) In what way should existing legislation or administrative practice be revised, amended or implemented with a view to promoting harmonious labour relations and uninterrupted production?

It is unnecessary for us to enumerate the various Orders in Council, regulations and explanatory memoranda dealing with labour legislation. For greater convenience and clarity it is desirable to have these Orders, under which we have been operating, simplified and consolidated, as their present multiplicity is confusing to both employer and employee.

Existing legislation should be revised and brought up to date in the light of experience gained by both the National War Labour Board and the various Regional Boards.

In any such revision, full consideration should be given to the special conditions under which the construction industry operates, including relations established between employers and their workmen, wage agreements and wage structure.

- (b) Should any such legislative action be adopted as a war measure only under the authority of the War Measures Act, or should it be implemented in any way by legislative action with a view to extending any of these principles and policies into the post-war period?

Our feeling in general is that such action should be adopted only under the authority of the War Measures Act.

Should, however, it be deemed necessary to take action towards extending the policies into the post-war period, the place of construction at that time must be considered, from the standpoint of employment. The minimum of control is suggested.

- (c) What are the underlying causes of strikes and lockouts in war time and what steps should be taken to avoid or deal with strikes or lockouts during the war?

One of the effective measures to avoid strikes or lockouts is to have legislation simple, clear and direct and have it impartially administered.

We believe that in our industry disputes have been prevented from becoming strikes by conferences between employers and representatives of employees.

#### 2. *As to Wages, Cost of Living Bonus, and Associated Questions*

- (a) Generally as to the existing provisions of P.C. 5963 and the administration thereof.

We refer the Board to a submission being made to them as a result of a meeting of the National Joint Conference Board on Monday, May 3, 1943, on the cost of living bonus in the construction industry.

(A copy of this motion is attached to this brief as Appendix I.)

*Appendix I. Cost of Living Bonus*—Copy of motion passed at meeting of the National Joint Conference Board of the Construction Industry, held at Ottawa, Monday, May 3rd, 1943.

That is a joint conference of employers and employees.



"The meeting noted the recommendations that had been considered by the Regional War Labour Boards concerning the amount and adjustment of cost of living bonus for the construction industry, and approved the proposal that those manual workers in the construction industry who have not received, pursuant to the provisions of E.M. No. 4.—

Mr. COHEN: Which is the explanatory memorandum.

Mr. STIRLING: That is the memorandum sent out by the Minister of Labour in explanation of the various orders in council.

—a cost of living bonus of five cents per hour or its equivalent should have their present bonus increased as from a date hereunder proposed, to an amount calculated on the increase in the cost of living index from April 1, 1941, to February 1, 1943 or thereabouts, and amounting to approximately \$2.07½ per week. This amount is to be paid on a weekly basis in accordance with the provisions of section 38 (2) of P.C. 5963. Those manual workers in the industry who pursuant to the provisions of E.M. No. 4, have received a cost of living bonus of 5 cents per hour or more, should continue to be paid such bonus as is now in effect on the condition that it be paid with respect to standard working hours only.

When permissive decisions have been made it is desired that these and other decisions affecting cost of living bonuses should be made mandatory.

It is understood that the acceptance of the wage rates in effect on April 1, 1941, or in fact at any date, as a base from which cost of living bonus should be paid or computed, or the amount of cost of living bonus itself, shall not prejudice the right of either employers or employees to contend as to the extent, if any, to which such rates reflected or reflect increase in living costs occurring since August, 1939.

It is contemplated that employers and employees shall not be precluded from making application for adjustment of the base wage rates in such cases as it can be shown that the wage rates in any trade in any locality are "low" within the meaning of the provisions of P.C. 5963. It is anticipated, however, in view of the provisions of the resolution and recommendation adopted by the National Joint Conference Board of the Construction Industry (as referred to in E.M. No. 4), and having regard to the time which has since elapsed, also changes in conditions which have since occurred, that any application to justify approval of any increase in basic wage rates would necessarily have to show exceptional conditions.

Concerning the date of adjustment of bonus awards it is agreed that the first payroll period beginning on or after May 15th should be set as the date at which the annual adjustment of the cost of living bonus for all manual trades in the construction industry should be made. Those employees who would receive an increase under the above noted proposed adjustment with respect to the amount of the cost of living bonus would receive such increase commencing May 15th, 1942. In regard to those cost of living bonus awards made pursuant to E.M. No. 4 and amounting to five cents per hour or more, those which expire before May 15th, 1943, would be extended to this latter date while those expiring after May 15th, 1943, would be extended to May 15th, 1944.

Motion carried unanimously."

Mr. COHEN: Would you mind telling me what happened in your industry that caused April 1, 1941, to become the basis for calculating the cost of living bonus?

Mr. STIRLING: It appeared to be the dividing line between the pre-war—

Mr. FRID: If I could answer that, Mr. Cohen—

Mr. COHEN: All right; we will leave it. I thought there might be some simple explanation.

Mr. FRID: (a) We suggest that the National War Labour Board establish a definite date and base wage rates for the construction industry, in line with this submission.

- (b) What, if anything, should be provided with respect to bringing about more uniformity in respect to cost of living bonus?

The cost of living bonus, as computed on the base wage rates mentioned above, should be the same for all the manual workers in the construction industry and should be mandatory.

- (c) To what extent and under what circumstances, should new conditions of work be ordered or authorized which involve increased cost of production?

This question is probably not intended for the field forces of the construction industry.

- (d) Should there be a floor below which the Wartime Wages Control Order need not be operative?

No, insofar as our industry is concerned.

- (e) To what extent should local, zone or national standards govern conclusions as to wages?

In our industry we have not reached the national or even provincial stage of wage negotiations. We have found that in war time the local rates have broadened into zone rates. In other instances, local rates have been raised to level of rates of larger centres from which labour supply has been drawn. This has been necessary on large emergency war jobs in small communities. The completion of these projects should bring about the readjustment.

- (f) To what extent should a "living wage" govern policies and decisions and what are the data and considerations relevant thereto?

In wartime, a cost of living bonus on a proper basic wage would be sufficient.

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In addition to the above enumerated questions outlined by the Chairman, we submit the following further points:—

- (g) Difficulties experienced through shortage of labour.

We have been seriously hampered on urgent government work by the scarcity of men. In consequence, certain of these projects have been delayed. Some of these projects have been given priority to draw such labour from larger centres at rates applying at those centres which are higher than the local wages. This has upset local conditions, but it is expected this will be rectified at the completion of the work.

We recommend that the National War Labour Board deal with these exceptional cases on their merits.

We make that recommendation because so far we have not been able to get a decision from the Department.



(h) The responsibility of trade unions in agreements.

We believe that the registration or incorporation of all trade unions should be considered by your Board as one factor in the maintenance of good labour relations.

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The Canadian Construction Association, in submitting this brief, realizes that there may be many important points which have not been covered and is prepared to discuss construction problems with the Board when this is desired.

Mr. COHEN: Is there an explanation of that date of April 1?

Mr. FRID: Yes, in the early part of the year, up until 1941, it was recognized pretty well by the Labour Department that it was very difficult for the construction industry to follow along under P.C. 7440. In taking thirty-one centres we found we had 439 agreements ranging from 65 cents to \$1.10 in rates. Some of the rates vary in each province, and it was a difficult thing for us to operate under that law.

The CHAIRMAN: Did you have any common labour clause in your agreement?

Mr. FRID: No. We went on until 1941 when we had this joint conference of the Boards. Mr. McLarty, then Minister of Labour was there, and we agreed at that time—at least the government allowed us to carry on until 1941 when the freezing order came out. Then we had to readjust ourselves and follow along with that freezing order, and that was the time we made the changes.

Mr. COHEN: I am still not clear why you set April 1. Was that something reached at the conference?

Mr. FRID: It was something reached before that; it was consummated at the time of the conference and allowed to carry on until the freezing order came. Our agreements nearly all start on May 1, but we carried on, as you see, until November when the freezing order came out; and at that time the index was 108. When the labour agreements were made at that time, a five cent cost of living bonus was established.

Mr. COHEN: On page 2 you say under the side note, "Absence of strikes", that "strikes in our industry have been few and relatively unimportant since the beginning of the war. Did this happen by accident?" And then on page 6 you say, "We believe that in our industry disputes have been prevented from becoming strikes by conferences between employers and representatives of employees." I take it from those two expressions that a pretty decent job of labour relations has been accomplished in the construction industry.

Mr. FRID: That is so.

Mr. COHEN: Then what is the reason for your suggestion on page 8, "We believe that the registration or incorporation of all trade unions should be considered by your Board as one factor in the maintenance of good labour relations." Why, having a record of forty years of good labour relations and no strikes, do you find it necessary to make that suggestion?

Mr. FRID: Our reason for that suggestion is this. Every day, you might say, governmental laws require industries and corporations to tell them where every cent of money that passes through their hands goes. We are taxed on it and we have to show it. I think that applies pretty well where money is collected for lodges, or anything that has to do with dues paid by our people into these various institutions. They have to be strictly recorded, and statements must be provided showing what is done with the money. Our unions are growing more powerful in Canada, and we felt it would keep them sound and safe if they knew that their financial statement showing the proper disbursement of



their fees was shown publicly. Corporations, and even individuals, when they have to put their cards on the table, are inclined to be a little more careful of the things they do. I can go back a little farther. This is something which goes back to 1932. Our organizations perhaps have wanted, selfishly, it may be, unions in our industry. It has been a good thing and it has stabilized conditions. With us that is important because we often hire men for a week and lay them off and they go to another employer for two weeks; we have to have some support. Going back to the depression years, we all know what happened to the unions; they fell off. The employers in our industry did not want to see them wiped out, and they were getting close to it. I think we were as instrumental as anyone in holding them together. When it came time for these men to get back into the unions they wanted to make them pay their full fees. You know how it is in a union; a man failing to pay his dues is disciplined and ruled out. We had our union agreements to consider, and we still hired union men when we had the work. Union men got scarce, so that we had to bring these other men back. The unions wanted to charge these men the full initiation fee to get back, and the employers had to step in and say that if we were going to keep these agreements the unions would have to get these men back and it was not fair that the men should have to pay this price. We told them we had to make the price reasonable. That may sound a strange thing, coming from employers of labour.

The CHAIRMAN: You were subsidizing them?

Mr. FRID: I would not say we were subsidizing them, but we wanted to keep them in operation, and that was the reason that a lot of the men at that time wondered why they had to pay this amount of money to get back into the union. We heard a lot of criticism from some of our men in that regard. I think most of the big unions are sound and want to be honest and throw their cards on the table. The quicker it is suggested they do it the quicker we will clear up any difficulties.

Mr. COHEN: You do not suggest that your labour relations have in any way been changed by the fact that the unions you dealt with are not incorporated or registered?

Mr. FRID: No; we think if these regulations were put on the table it would make them stronger than anything else.

Mr. STIRLING: I noticed that you asked the second last gentleman who was making a speech here some questions. Evidently the Board wishes to know how the employers feel about the general question of the incorporation of unions. It may sound strange to hear employers talking of labour unions the way we do, but I may say frankly we feel they are very good friends of ours. We sit down and argue these things without any acrimony at all. That is one point I do not think Mr. Frid mentioned that was brought up by Mr. Cohen's question. It is true that in the last forty years we have had, by and large, very peaceful labour relations, but the last year or two has seen a little bit of competition in the unions. In the Province of Quebec, where we operate chiefly, we have the American Federation of Labour, the Canadian Congress of Labour, and the Canadian Catholic Syndicates. There is a growing competition. In the past, unions have lived up to their agreements, incorporated or not, and we have had very little trouble with the repudiation of any agreements; but the future does not look so bright. We felt that incorporation would help to keep us on the same footing. If the employer is incorporated, why not the employee? We want to know where their money goes, and what their membership is, and see that our annual agreements are properly drawn up with responsible organizations.

Mr. LALANDE: At the top of page 5, with respect to the cost of living bonus, you say: "Both sides agreed and secured the consent of the National



Mr. WILSON: As an executive officer I have a great many people coming in and complaining they have not enough wages to live on, and it is the invariable policy to say "what is the attitude of your employer?" Employers who seem most ready to discuss wage matters with their employees usually then become the applicant, or there is joint application. A great many employees are afraid to come in with an application because they feel if they apply the employers will find they do not like the look of their eyes, and therefore, not because they apply to the Board, but on account of some factor that has been long outstanding, the employer determines that that man's employment should be terminated. That is what they are afraid of, and the extent of the grounds for that fear is hard to gauge. That factor does seem to operate to an unfair extent.

15. Experience to date should provide the Boards with adequate data to show what were the generally prevailing rates for standard jobs and classifications at the outbreak of war. Subject to what is said later on the point of local or national wage levels, and to provision for correction of sub-standard situations, the wage levels of August, 1939, should be a basis, and subsequent adjustment should be limited to compensation for rise in cost of living.

16. The aggregate of the movement which has taken place since August, 1939, by way of basic wage increase and by way of cost of living bonus should be measured against the rise in the index and, once the index movement has been equalled, further adjustment should be ruled out. Only where inspection reveals that an employer is paying, in the aggregate, less than the 1939 standard plus bonus adjustment, should Regional Boards direct an increase. The appropriate type of adjustment should be directed.

Mr. COHEN: That, of course, is subject to the same limitation that you expressed in the last paragraph of section 15, as to the sub-standard situation.

Mr. WILSON: Yes, definitely. That carries through.

17. One artificial inaccuracy which is creeping in, and which should be rejected, is the placing in a special category of certain industries because of a false appreciation of their importance. Actually, once the luxury trades are discarded, no industry can now claim any special pre-eminence in essential value. The same basic values, founded entirely on relative intrinsic skill, reside in a job or classification whether it be, for example, aircraft manufacture, railway machine shops or ordinary machine shops.

#### *Uniformity of Cost of Living Bonus*

18. The "not-above-foreman" criterion is artificial and should be discarded. The rise in living costs hits no harder on a foreman earning \$200 per month than it does on a salaried official earning the same amount. In substitution there should be a rule restricting bonus to those whose earnings do not permit them reasonably to absorb the rise in costs. Bonus might be granted so that it would not carry any employee's earnings over \$175 per month.

That figure by the way is empirical. It is taken as a case in point.

At present index an employee earning \$150 per month would get \$18.42, one earning \$165 would get \$10, one earning \$175 would get no bonus.

19. If there is to be any movement towards uniformity of bonus, the basis must be laid deep and firm. A mere directive that all employers should pay a bonus higher than that reflecting the rise since October,